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THE FINANCIAL TIMES, February 11, 1976

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# FINANCIAL TIMES

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## NEWS SUMMARY

**GENERAL**  
**Troops for hire probe set up**  
As 44 tired, shaven-headed British mercenaries arrived home from Angola yesterday to be questioned by the Special Branch, the Prime Minister announced an official inquiry into their recruitment, to be headed by Lord Diplock.

Other members will be Geoffrey de Freitas, Labour, and Mr. Derek Walker-Smith, Conservative. Mr. Wilson described the recruits as "small-time crooks" and said they had been getting access to lists of former soldiers and SAS men to "raise a just private army."

Police swarmed around the mercenaries' plane and detained them for questioning under the 1961 Offences against the Person Act in connection with reports of a massacre of 14 of their comrades by fellow mercenaries. The Act can be used against Britons who commit murder or manslaughter abroad.

One mercenary arrived in a wheel-chair, two walked on crutches and several had their arms in slings. Among them was 17-year-old Londoner David Smith, previously feared to have been executed abroad.

The mother of one returning mercenary, Andrew Black, said her son had seen the bodies of 14 or 15 comrades shot on the orders of Col. Callan, Leslie Aspin, head of the recruiting organisation Security Advisory Services, left London by private jet for Holland yesterday, saying he had 200 more guerrillas "in the pipeline" for Africa.

**A million homeless**  
More than a million people—sixth of Guatemala's total population—are homeless following last week's massive earthquake in which 15,000 are now officially known to have been killed and more than 5,000 injured.

Emergency relief is gaining momentum and specialists from 50 countries were meeting in Paris yesterday to discuss ways of reducing the killer impact of earthquakes.

**Spat of bombs**  
A spate of bombings hit Belfast yesterday, including the Provisional IRA's "ceasefire." Five city centre shops were bombed, but there were no casualties. Since the "ceasefire" more than 200 people have been killed and 2,000 injured in Ulster.

**Prime accepts**  
Moro Minister-designate Aldo Moro formally accepted the task of forming a new minority Government. He told President Leone it was assured of a small parliamentary majority.

**No deadlock**  
Nationalist leader Joshua Nkomo last night denied deadlock at the conclusion of an hour-long session with Premier Smith on Rhodesia's future. In neighbouring Zambia, President Kaunda detained several university students and two more expatriate lecturers. Page 3

**Gas off**  
Gas supplies in the North-east of England, Sheffield and Nottingham, will be disrupted today when 7,000 white-collar workers go on strike. Page 11

**People and places**  
The Queen and Prince Philip are to visit Fleet Street newspapers on February 26. Two men convicted of frightening a sub-postmaster to death in Glasgow were jailed for seven years yesterday.

**Chief price changes yesterday**  
(Prices in pence—unless otherwise indicated) Peko-Walsend 525 + 15

RISERS		FALLS	
Beecham	344 + 4	Treasury 131p 97 "A" 100	- 1
British	32 + 3	Arden	62 - 9
Daily Mail	200 + 4	Berkley Hambro	112 - 6
De La Rue	223 + 10	Channel Tunnel	60 - 3
ERR	23 + 2	Felixstowe Dock	126 - 6
Hay's Wharf	78 + 2	Hambro	208 - 10
Honey	520 + 15	IRV and Shand	100 - 10
House of Fraser	90 + 2	Macfarlane	56 - 4
Imperial Group	87 + 5	Racal Electronics	222 - 6
Inchcape	300 + 8	Sore	88 - 4
Lowe and Brydone	28 + 3	Stroud Riley	17 - 3
Manchester Ship Canal	180 + 10	Tate and Lyle	288 - 8
Paterson Zochonis	450 + 20	Tunnel Hides	192 - 8
Reckitt and Colman	342 + 5	Ward and Goldstone	92 - 4
UDS	92 + 5	Middle Wm.	315 - 13
Shell Transport	354 + 6	Pancontinental	114 - 1
Charter Cos.	159 + 3	Randfontein	114 - 1
Malayan Tin	175 + 7	Southvale	340 - 9
Northgate Expts.	55 + 20	Western Hides	234 - 7

## Angola rail line falls to MPLA

# Major battle looms as Lobito and Benguela fall

BY JANE BERGEROL, LUANDA, FEBRUARY 10

THE PROSPECTS of a major confrontation between the forces of the Marxist MPLA and their allies and South African forces, who have reportedly established a strong defence line 50 miles inside Angola, moved nearer today when the MPLA announced it had captured the towns of Lobito and Benguela.

The two key towns on the Atlantic coast give the MPLA control of almost the entire 1,000 miles of the Benguela railway running from the port of Lobito and the industrial city of Benguela across Angola into Zaire and Zambia.

At the same time it was announced in Kampala that the Ugandan government had recognised the MPLA as the government of Angola, raising MPLA hopes that full recognition by the Organisation of African Unity may not be far off.

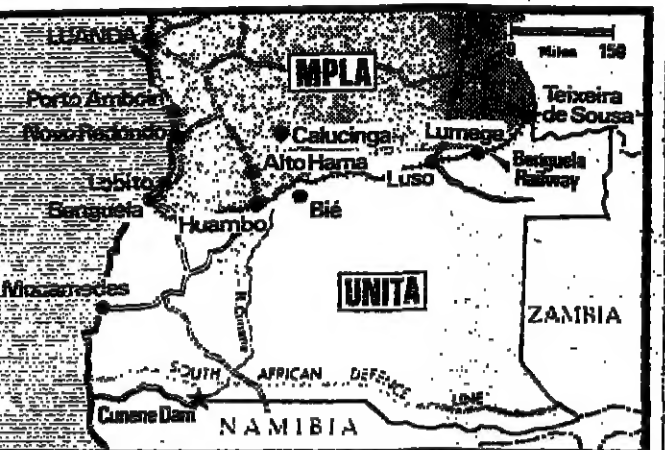
A broadcast by the MPLA military commander on Benguela's radio early this afternoon—retransmitted by Luanda National Radio—said that Lobito, Catumbela and Benguela have been "simultaneously liberated" and that there has been "no resistance" by forces of the Western and South African-backed UNITA movement.

The broadcast called on people to return to work as usual and said "MPLA guarantee every citizen the right to continue with his work."

The broadcast also claimed the Luanda forces had received a resounding welcome and that people had been in the streets with MPLA flags. The population of Benguela has always been strongly behind the MPLA, although in contrast Lobito has backed UNITA.

Unita forces appear to have evacuated the towns although they were still broadcasting music programmes from Benguela around 9 o'clock this morning according to Luanda Radio.

On the southern front as a whole MPLA forces appeared to have met with little serious resistance since the withdrawal of



South African forces in January and the outbreak of fighting between the allied forces of the Zaire-backed FNLA and UNITA. The MPLA advance had recently been slowed by mines in the area and a number of river bridges blow-up by retreating Unita forces.

Along the railway lines only two major towns now remain in Unita hands: the eastern town of Luso, which MPLA military sources say "officially is encircled and on the point of capture, and the new Unita military headquarters at Bie (formerly Silva Porto).

Continued on Back Page

## Sterling falls to record low level

By Colin Millham

STERLING FELL to its worst level ever against other major currencies yesterday as speculation about a possible realignment of currencies within the European currency "snake" continued to have an unsettling effect on the foreign exchange market.

The pound's trade-weighted depreciation, as calculated by the Bank of England, widened to a record 30.4 per cent from 30.3 per cent. It closed at \$2.0270 against the U.S. dollar, a loss on the day of 10 points and market sources suggested that the Bank of England may have given some support to sterling when it touched its lowest level of around \$2.0220 earlier in the day.

Other European central banks were also active within the market, and it is probable that the total amount of intervention yesterday was the largest since the present bout of unrest began, following the closure of the Italian foreign exchange market last month.

The French authorities gave further assistance to the French franc, which has been under very heavy pressure as a result of recent speculation that there will be a realignment of currencies in the European "snake." Recent support by the Banque de France is estimated to be in the region of \$1.5bn. (Back Page).

## WELSH CUTBACKS EXPECTED

# BSC to cut 6,200 jobs in the North

BY ROY HOBSON

THE BRITISH Steel Corporation is seeking to cut out 6,200 jobs by 1980 in the North of England steelworks as part of the wider reduction in manning designed to save the corporation £170m a year in labour costs.

Plans for reducing manning at the corporation's plants in Wales are expected to be announced later this week and will involve more redundancies than in any of the other steelmaking areas.

**Plant level**  
After a series of crisis meetings in January over the corporation's redundancy plans, management and unions agreed to refer major issues concerning redundancies and earnings levels to plant level for consultation, and negotiations.

In return BSC felt it had obtained a greater degree of union co-operation at national level. Before yesterday BSC had announced, following talks with the unions at area level, that it wanted to shed some 4,500 jobs in Scotland, £200 in the special-steel division centred on Sheffield, and 1,300 at Corby, Northants.

**Clearer**  
The pattern of the corporation's overall labour-saving plan is becoming clearer. If the target set by the BSC of shedding more than 40,000 jobs in two years is to be achieved then the sector of the industry most seriously affected inevitably will be the strip mills division. Most of the job losses within that division will be in Wales. The corporation's undisclosed plans for the Welsh mills will be central to the whole exercise.

The corporation's division covering Teesside and Work-

ton will seek to reduce its workforce by 3,200 in the next two years. Another 3,000 jobs in the division will be lost by plant closures. But new jobs will be provided over a longer period as the major steelworks development at Redcar goes into production.

The Teesside division has had preliminary discussions with union officials and has suggested setting up a joint committee to implement the job-reduction programme. After the 6,200 jobs have gone, the aim of the division will be to achieve further labour savings in its existing plants and to switch workers to the new works being phased-in.

**Responsibility**  
A statement from the division last night said it considered that its share of the total national capital investment in new steel-making plant placed a particular responsibility upon the division to achieve the highest levels of productivity and profitability.

Three hundred workers at the Ministry of Defence Signals Research and Development Establishment at Highgate, Dorset, are to lose their jobs. The establishment, where the laser beam was developed, is to be run down. A further 600 workers are to be transferred to the Malvern research establishment.

2 in New York

	Spot	Feb. 9	Previous
1 month	\$2.0270-055	\$2.0270-055	
3 months	0.88-0.89	0.87-0.88	
12 months	1.20-1.21	1.20-1.21	

# Women awarded equality in occupational pensions

BY ERIC SHORT

FROM April 1978, women will no longer face discrimination over their membership of occupational pension schemes. Mrs. Barbara Castle, Social Services Secretary, told delegates at yesterday's Financial Times Pensions Conference.

Resolutions were laid before Parliament yesterday under the Social Security Pensions Act 1975, which set out the provisions for securing equal access for men and women to such occupational schemes.

These provisions would apply to all occupational schemes irrespective of whether they were contracted out of the Government's new pension scheme, due to start in April 1978, Mrs. Castle said.

Conditions of membership of these schemes include age and length of service with a company. They will no longer be allowed to differentiate on sex.

The present practice for most pension schemes is to make it compulsory for men but voluntary for women. Under most schemes, men become eligible for membership when they are 21 and have completed a year's service with the employer.

Women often have to be at least 25 and sometimes 30 and to have completed five years' service. Since the ultimate pension is based on years of membership in the scheme, women usually receive a lower proportion of final salary than men.

The Company Pensions Information Centre said yesterday that many employers would probably bring the entry conditions for women into line with those for men.

**Compromise**  
But it thought that a minority of employers would go the other way and strike a compromise over length of qualification at perhaps three years. It would not ask the employer much to accept women in their early 30s into long pension schemes, except to add to administrative expenses.

Mrs. Castle also told the conference that she had accepted the proposals put forward by the pensions industry on the accrued rights of employees who leave pension schemes before retirement.

Under the contracting-out provisions, such pensions have to be inflation-proofed up to the ultimate retirement age. The pensions industry has complained that this would represent an open-ended commitment.

Now, under another set of regulations laid before Parliament, employers must only reveal these accrued pensions at 5 per cent per annum. The National Insurance Fund will make up any difference between this figure and the increase in the earnings index.

Mrs. Castle hoped that this proposal would finally allay employers' fears that by contracting out they might have to pay huge sums for former employees. The CIB Society of Pension Consultants welcomed Mrs. Castle's announcement and said that the last barrier to employers' contracting-out of their State scheme had been removed.

Mr. D. W. A. Donald, general manager of Standard Life, Scotland's largest pensions company, said that the construction industry, which he had sought to persuade to discuss with employers on the future of pension schemes.

## Intervention

Intervention by the West German authorities yesterday was partly in support of the Danish krone, one of the weakest members of the "snake," and it was also disclosed that the Bundesbank bought \$22m to steady the U.S. dollar. Morgan Guaranty's calculation of the dollar's trade-weighted depreciation widened to 2.8 per cent from 2.50 per cent.

Support of \$30m for the U.S. unit was also reported from the Bank of Japan. The Japanese yen recently moved from a depreciation to an appreciation, according to the Morgan Guaranty calculation.

The Dutch central bank and the Belgian authorities both intervened in the market yesterday to maintain the guilder, which is very firm, and the weaker Belgian franc within their agreed float limits.

Further ground was lost by the Italian lira, with its depreciation widening to 41.55 per cent, a fall of 10.66 per cent since the beginning of the political crisis in Italy.

Conference report, Page 8

# Foot exempts 'long-established' depots from dock labour Bill

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. MICHAEL FOOT, Secretary for Employment, confirmed yesterday that he would introduce amendments to the Dock Work Regulation Bill to ensure that "long-established" warehouses and depots would be exempted from restriction under the proposed dock labour scheme.

The pledge, though it failed to satisfy completely some union-sponsored MPs who fear a takeover of jobs by the Docks Section of the Transport and General Workers' Union, seemed to have mollified Labour backbench critics.

**Poaching fears**  
With full back-bench support, Government Whips hoped that the division, on the Second Reading, the most severely contested of the present Parliamentary session, would be won by a narrow margin despite the combined resistance of all minority parties.

Mr. Foot, although insisting that there had never been any intention in the legislation of allowing the TGWU to "poach" workers from other unions, tried to placate worried MPs by promising to consider any amendments that would make the situation clearer.

"Long-established" warehouses, storage, packagings and cold storage operations, which are not related to work directly

transferred from the docks and which are not connected with port operations would most certainly not be classified as dock work and therefore subject to the new scheme," he insisted.

Mr. Foot also told the conference that she had accepted the proposals put forward by the pensions industry on the accrued rights of employees who leave pension schemes before retirement.

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## LOMBARD

## The disregard of moral standards

BY C. GORDON TETHER

THE WARNING note struck by the U.S. General Accounting Office, a Federal watchdog agency, on the possible repercussions abroad of the disclosures about the bribes paid by Lockheed to win foreign business related only to the Lockheed order book—the outlook for the corporation's finances being all that the GAO report was actually concerned with.

It is, nevertheless, a reminder that the web of international intrigue which the U.S. bribery investigations and the related probe into CIA activities are bringing to light is a matter of considerable importance to the outside world—not least in relation to the question of what is to be done to prevent trade liberalisation codes being set at naught by widespread disregard of generally accepted moral standards.

At the moment, the U.S. spotlight on "big business behaviour" is directed at the Lockheed Corporation. But it is, in fact, only one of a number of U.S.-based multinational giants that have been attracting its attention.

## Much greater

Corporations engaged in the oil trade and other forms of international commodity traffic are also deeply involved. And the chairman of the U.S. Securities and Exchange Commission recently disclosed that the extent of American undercover corporate financial dealings was much greater than had been appreciated, his organisation now being engaged in investigating 30 major companies. He added, significantly, that it had been unable to trace "tens of millions of dollars in illegal payments that U.S. corporations had admitted making."

It has to be recognised that, though they have so far been featured most, the Americans are not the only ones to blame for this sad state of affairs. Bribery can never succeed unless there are takers. And that engaged in by major U.S. companies would not have assumed such proportions had it not been for the fact that there were plenty of people in high places in other lands who were prepared to accept their largesse for "services rendered."

Moreover, it is quite conceivable that if the under-cover payments situation were to be researched in other advanced

countries in the resolute way that it is now beginning to be probed on the other side of the Atlantic, it would be found that the American scandals were only the tip of a great international iceberg of corruption. Indeed, the argument that is most often adduced to defend such practices is that as everybody else is doing it, the company that wants to be successful has no effective alternative to following suit.

But a multitude of wrongs can never make a right. And the reality is that, since the purpose of under-cover payments of this kind is to produce an outcome that is different from that which might otherwise obtain, the practice constitutes a serious interference with the normal, healthy, operation of the international trading system.

**Meaningless**

For if orders are to go to production, the most powerful punch in terms of great industry is the one that is well placed to determine the final choice on the buying side, normal commercial considerations are clearly going to play a subsidiary role—if, indeed, they exercise any influence at all.

The implications of such behaviour for the way of life which we in the West are supposed to attach so much importance cannot, of course, be lightly dismissed. But the main point I want to make in this article is that it is also capable of constituting a serious interference with the operation of the world's economic machinery.

We have been hearing a great deal of late about the desirability of ensuring that countries do not impede the functioning of that machinery by restricting the inflow of goods from the outside world through import restrictions or exchange controls. There is no logic in laying so much store by the present state of affairs, while doing nothing about other forms of unwanted "interventionism" that have very much less economic, financial or moral justification.

It is often argued that business and morality do not mix. What emerges from the disclosures about the under-cover activities that the American business system has been indulging in with foreign collaboration is that the ground rules of the international trading community are apt to become meaningless unless they have the support of a proper regard for moral principles.

## GARDENS TO-DAY

## Colour in the cold

BY ROBIN LANE FOX

THIS HAS BEEN such an exceptional season for winter flowers that I feel obliged to write about them. Perhaps you do not grow any; perhaps you think that even the lovely yellow jasmine, which resists cold weather so well, takes up too much room on a shaded wall. The spring flowers which have opened early in the past two Januaries do not count as winter-flowering plants. But the winter cherries, irises, hellebores, honeysuckles and the rest have been seen to the best advantage.

I have a clump of the lavender-flowered iris which may as well call Stylosa. Once, I think, it began as two pot-grown plants, yet before the last frost I counted 98 flowers on its thicket of leaves, now three feet wide. Better than that, I saw it recently under the south-facing wall of a primary school, in one of those beds which public buildings still attract. It grows about three feet high and falls into that class of shrub which catalogues still magniloquently describe as "suitable for pleasant cover."

I like it in crowded city gardens, tucked in beside dustbins and concrete slabs where it grows well and looks handsome. There is, however, something new to report here. American growers have selected a variety called *Stylosa* (or sometimes *Berberis Aquifolium*) which strikes me as being extremely useful: it is listed in the U.K. by Sherrards of Newbury, Berkshire, and I suspect that it will be familiar to sight in the decade. It grows about two feet high, so far as we know, and its crinkly leaves turn orange throughout the summer.

Deceived by a group of young plants in the front of a fashion shop last summer, I congratulated the owner on his discovery of a bright new orange-flowered annual. Moving closer, we found I had been taken in by this new evergreen, so brightly coloured in its leaf that

it appeared to be a flower. I imagine that it will grow where I have now planted it in a dark north-facing corner which needs to be brightened.

Orange leaves are also, in season, a feature of the best forms of what is correctly named *Mahonia japonica*, a variety whose leaves colour properly. I love this plant, its long pinnate leaves are evergreen, its spikes of yellow flowers, borne so prolifically, have a scent which is extremely hardy and it will grow in shade and on lime soil, an unusual virtue in a Japanese plant.

By cutting out the central whorl of its leaves at the point where they meet old wood, and lining them in sandy soil, I have been able to increase it from cuttings. This is a blessing now that it costs £1.50 per plant. For this is a shrub to be massed beneath the shaded wall of a house, preferably in a good form from a reputable nursery, as certain "japonica" colour less vividly and flower less well. Allow about four or five feet for each plant in which it is spread: its leaves contrast pleasingly with those of a big-leaved *Berberis*, also an evergreen, and a bush of *Mahonia* in a sunny site, however, and I note that its flowers this winter exceed any in shade.

This makes me suspect that, like so many others, *Mahonia* tolerates a sunless border, but is not seen at its best in it. Perhaps you feel that hot summers will not be repeated and that winter flowers are not worth your while. But there are so many possibilities of them demanding or too rampant for small gardens. Reckoning on another hot 1976, I am stocking up odd corners with flowers to console me through the cyclical gloom of early 1977.

## Lorries 'should play key role'

BY DONALD MACLEAN

THE LORRY should play a key role in Government policy for goods transport, says Roy Hoad, Secretary of the British Association of Road Transporters.

A consultative document on Government transport policy is expected to be published in about six weeks.

The RHA proposes that the permitted maximum weight of goods vehicles should be increased from the present 32 tons gross to 40 tons, and the weight to 40 tonnes and 11 tonnes, respectively. There should be "amendments of hours restrictions and distance limitations" prescribed in European Economic Community Regulations, and a new weight limit or at least fundamental amendment of the Dock Work Regulation Bill.

There is "no doubt," the association says, "that the registered dock labour has had a very long and difficult effect on Britain's docks. The Dock Work Regulation Bill would have a similarly disastrous effect on substantial and efficient sectors of the road haulage industry, as well as on related industries."

Opportunities to move goods by rail are "relatively few," it is argued, "and compulsory transfer cannot be justified on economic or environmental grounds."

The bus and coach industry has asked for "urgent talks with the Treasury regarding the damaging effect of fuel tax on the public services. The Confederation of British Road Transporters said yesterday:

## WINTER OLYMPICS

## Swiss pair dominate men's giant slalom

INNSBRUCK, Feb. 10.

SWISS skiers Heidi Hemmi and Ernst Good took the gold and silver medals in the men's giant slalom at the Winter Olympics here today. Hemmi, 27, edged to victory two-tenths of a second clear of his 26-year-old compatriot.

The Swiss pair held off a tremendous challenge from 19-year-old Swede Ingemar Stenmark who slipped from eighth place in yesterday's first run to take the bronze medal. Stenmark's time of one minute 49.50 seconds was easily the fastest on the tricky, 75-gate second-gate course.

The overnight leader, Gustavo Thoeni of Italy, the defending champion, was never able to find the punch of yesterday and fell steadily behind throughout the 30-second course to finish fourth.

Fifth place was taken by American champion Phil Mahre while a third Swiss racer, Engelhard Pargatz, finished sixth. Before the second leg, trainers described the course set by the Swiss as "the most difficult they had ever seen."

Hemmi's second-leg time of 1:41.56 was the second best of the day behind Stenmark and gave him a winning aggregate of 3:26.07. Good clocked 1:43.57 for a 3:27.17 total while Stenmark's outstanding performance left him on 3:27.41. Thoeni was

timed at 1:43.48 for a 3:27.67 aggregate. At Seefeld, the Soviet Union gave the rest of the world another lesson in cross-country skiing, sweeping two medals and four of the top six places in the Olympic women's 10 kilometre race.

Today's inspiration came from gold medal winner Raisa Smetanina. She started fast and held off a strong late challenge from Finland's Helena Takalo, who came second.

Miss Smetanina's Russian teammate Galina Kulakova—deprived of the five-kilometre bronze because she took a banned drug by mistake—was third again today. "This time I avoided all mistakes for my cold," she said wryly.

In addition, the Soviet Union drew first blood in the men's

speed skating competition, winning the gold and silver medals in the 500 metres. World record holder Evgeni Kulikov, a 25-year-old student, won an Olympic record in 39.17 seconds after thinking it would not be fast enough to win a medal.

Today's programme (GMT): 8 a.m.: men's 4 x 10 km. cross-country; 8.30 a.m.: men's 5,000m. speed skating; 10.30 a.m. and noon: women's slalom; 1.30 p.m.: women's figure skating, short programme; 1.4 and 7 p.m.: ice hockey; 6.30 p.m.: men's figure skating, free.

## FT CLIPPER RACE

BY ALEC BEILBY

## GB II out of the doldrums

GREAT BRITAIN II, leading the way home in the Financial Times Clipper Race by almost 1,400 miles, is now through the Doldrums and has entered the area of the north-east trade winds 660 miles due south of the Cape Verde Islands.

Less than 3,000 miles from the Dover finishing line her skipper, Roy Mulholland, and the crew have been able to maintain regular radio telephone contact with radio operators in Britain. Last Friday they sent a message of loyal greeting to the Queen on the anniversary of her accession to the throne. The Queen replied, via her private secretary, who said that the message was greatly appreciated.

Launched by Princess Anne, the yacht has a tradition of sending signals of this sort, having sent Princess Anne a signal on her wedding day. The feeling that the end of their impressive voyage is at last in sight has occasionally lifted the spirits of the crew and they have been sending replies to demands for information in verse, but all this in the midst of damage to sails when a piece of extruded wire in the rig-

ging tore three vital sails. These have been repaired as the crew brace themselves for the end of the momentary warmer weather of the tropics and head for the colder latitudes.

The leading crew sail home in lighter mood, the French, who rounded Cape Horn on Sunday in fine weather, are suffering the frustrations of light winds that have slowed their impressive dash across the Southern Ocean appreciably, though they are still almost three days ahead of the time for this part of the voyage set by Great Britain II.

The French are now approaching the Falkland Islands where the Italians stopped for fuel. The crew of the Italian yacht, the *Albatros*, which is a little more than 1,000 miles astern and the distance between her and the Dutch is a little more than 1,000 miles. Meanwhile, with the date of arrival of the leading yacht, Dover still predicted to be between February 27 and 29, preparations to welcome the yacht are well in hand with a reception at the harbour where the *Albatros* will arrive. The *Albatros* will be met by the *Albatros* and the *Albatros* will be met by the *Albatros*.

## RACING

BY DOMINIC WIGAN

## Red Rum on trial at Haydock

RED RUM, who is a clear favourite at 9-1 in most betting lists for the New Year's Day sponsored Grand National in seven weeks' time, will have to win today's Haydock Park National (2.30) if he is to maintain his market position.

Mr. Noel Le Mare's remarkable 11-year-old, who will be bidding for a third Aintree triumph on April 3, has 11 st 7 lbs in today's race—7 lbs less than when he ran out a comfortable winner from Glen Owen and Meridian a year ago.

Although this afternoon's task would almost certainly not be beyond Red Rum at his best, he has shown little sparkle in all but one of his six races this season, and I believe backers may be seven-year-old, Rubastic.

Rubastic, who gained an easy victory over this 34-mile course and distance when giving Paddy's Best 2 lbs, and a 24-lengths thrashing in the St. Helen's Chase (2.00), I shall be surprised to find him 10 weeks ago, is 9 lbs better off from the length by which he went under to the Troutbeck gelding in the Northern Trophy Chase at Hurdle an hour later, in which

Newcastle recently. On the revised terms Rubastic ought not to be hard pressed to gain his revenge.

Lord Brownwood, who had the misfortune to come up against Flooding Pound in the Embassy Premier Chase final here three weeks ago, is another who seems sure to make his presence felt to be hard pressed to gain his revenge.

Cheltenham Gold Cup favourite, Captain Christy, has been scratched because of a leg injury suffered at work. Brown Lad is the new favourite.

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## SALEROOM

BY ANTONY THORNCROFT

## Furniture record for Phillips

PHILLIPS deserves pride of place among the salerooms yesterday. It held the most successful furniture auction (in terms of turnover) in its 200-year history. In all £92,670 was bid for English and Continental furniture. A feature of the sale was the number of lots sent from the Continent for disposal in London.

In particular some items shipped from Milan fetched high prices as British and Spanish dealers out-bid Italians keen to repatriate the furniture. An 18th century Genoese floral decorated commode was bought by Wilson for £2,600 (estimate £2,000) and a 19th century commode was bought by Wilson for £2,400, well above forecast.

The Christie's print sale realised £45,395, with less than 10 per cent of the lot unsold. A set of lithographs from the "Traite de Faucoumme" by Georges-Henri de Valenciennes, published 1844-53 by Hermann Schell, was bought by Evans for £2,200, a watercolour of Lake Geneva by Johann Adam Linck went to a private buyer for £1,200.

There was also a modest auction of miniatures and objects of vertu at Christie's, which in 1810 was bought by the Peff comode went to Stanner for managed some good prices. A miniature of a lady by Moritz Michael Dautinger sold to Germaine for £250 (over three times its estimate) and an enamelled gold pendant by Henry Wilson, around 1910, was bought by the Fine Art Society for the same price.

S. Phillips bought an Italian gold pendant and a pair of earrings which had been in a Hertfordshire family for many years, was acquired by Noble for £3,500, around double forecast. Phillips also held an art nouveau sale, which brought in £9,628, and a first sale in Leeds, which made £14,630.

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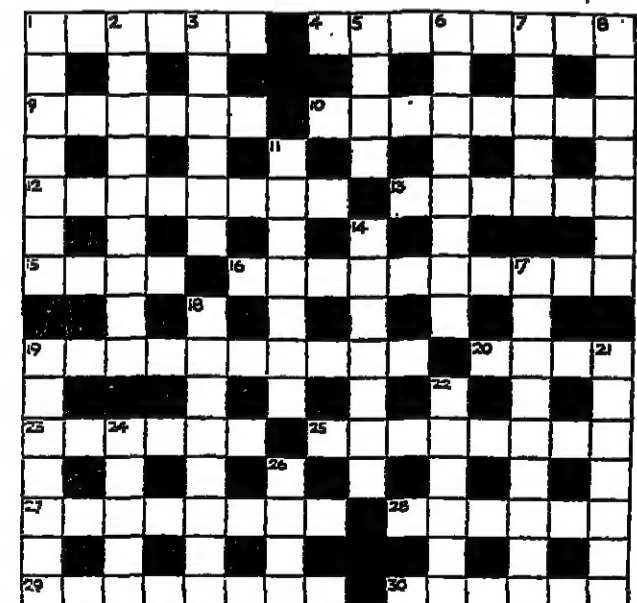
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## TV/Radio

† Indicates programmes in black and white

**BBC 1**  
7.05-7.55 a.m. Open University.  
9.15 For Schools. Colleges. 10.15 You and Me. 11.00 For Schools. Colleges. 12.45 p.m. News. 1.00 Today and the Winter Olympics. 1.45 Today. 2.00 The Winter Olympics. 2.01 For Schools.

## F.T. CROSSWORD PUZZLE No. 3,002



- ACROSS**
- Well-suited upstair after copper (3, 3)
  - Inclination for a swan-song (8)
  - Current admission of paternity in broken English (6)
  - "The... of these is charity" (NT) (8)
  - It's the end of hangings (5)
  - Terrific often disturbs (6)
  - Sanctuary to deities (6)
  - Saying that can be cutting (4)
  - Let us take a squint at the solution (10)
  - Drink for the naturalist in Australia (4, 6)
  - It means disaster when the railway union gets back about one (4)
  - The native sailor might turn out a rascal (6)
  - Temple haunting birds, according to Banquo (8)
  - Wine gets round in a musical instrument (8)
  - Nothing in code can be clumsy (6)
  - Smith, Smith, Smith and Son for example (8)
  - It is something to stick me in the money (6)
- DOWN**
- "Wherein I spoke of most disastrous..." (Othello) (7)
  - Good social background makes the best draughtsman (3, 6)
  - Arab community surrounds the expert in a tumult (6)
- 1 Across**
- 1 Well-suited upstair after copper (3, 3)  
2 Inclination for a swan-song (8)  
3 Current admission of paternity in broken English (6)  
4 "The... of these is charity" (NT) (8)  
5 It's the end of hangings (5)  
6 Terrific often disturbs (6)  
7 Sanctuary to deities (6)  
8 Saying that can be cutting (4)  
9 Let us take a squint at the solution (10)  
10 Drink for the naturalist in Australia (4, 6)  
11 It means disaster when the railway union gets back about one (4)  
12 The native sailor might turn out a rascal (6)  
13 Temple haunting birds, according to Banquo (8)  
14 Wine gets round in a musical instrument (8)  
15 Nothing in code can be clumsy (6)  
16 Smith, Smith, Smith and Son for example (8)  
17 It is something to stick me in the money (6)
- 2 Down**
- 1 "Wherein I spoke of most disastrous..." (Othello) (7)  
2 Good social background makes the best draughtsman (3, 6)  
3 Arab community surrounds the expert in a tumult (6)

## RADIO 1

6.00-7.00 a.m. Radio 1. 7.00-7.30 a.m. Radio 1. 7.30-8.00 a.m. Radio 1. 8.00-8.30 a.m. Radio 1. 8.30-9.00 a.m. Radio 1. 9.00-9.30 a.m. Radio 1. 9.30-10.00 a.m. Radio 1. 10.00-10.30 a.m. Radio 1. 10.30-11.00 a.m. Radio 1. 11.00-11.30 a.m. Radio 1. 11.30-12.00 a.m. Radio 1.

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## RADIO 16

6.00-7.00 a.m. Radio 16. 7.00-7.30 a.m. Radio 16. 7.30-8.00 a.m. Radio 16. 8.00-8.30 a.m. Radio 1



dominated  
slalom



Ms. Janine Duvitski and Joanna McCallum in the Young Vic's production of 'As You Like It', which opened last night

eth Hall

## Söderström/Ashkenazy

It is to be expected that the first shaky notes, with the low cello, bring together lines sketched rather than firmly drawn. It was an exceptionally fresh and impulsive view of the interesting, varied, and both in parts and as a whole, not to be taken for granted. The piano, and must now be the unknown factor in their rapport. Miss Söderström's excellence as a pianist, in fact, so invigorating and then moving, a performance, that one wished only for the solid core of tone that would most happily ensure interpretative freedom, that would, for instance, permit the soft utterances in "Süßer Freund", that the soprano was unable to match with the piano. Schumann's songs, were much the most demanding of the evening—more than the opening group of four, three in Swedish, one in German, by the Finnish composer Kilpinen. Each was a clearly patterned miniature, lightly and definitely shaped by the singer; the last, "Der Spuk", at times too soft, for some listeners. The singer's special way on stage, with teasing, capricious comedy, Schumann's songs after the interval brought the third time, slightly unreliable, wing of tone at one

ion

## World in Action

lay with its account of ryer negotiations television strengthened a powerful claim to most effective news in Britain for the of constitutional cur- Some may feel that ed World in Action tually a State of the al produced by Brian compiled by Norma i directed by Baz a nothing to make a since it was similar ways to previous

Know What I Meant ide a vaguely similar on of Watergate a that starred Nicol and was made by Jack ana director. More it was taken shirely ration recordings, ries on The State of on the other hand, ewie film of civil and politicians, or ticians in "playing" in mock-ups of, real

and the Cabinet: How as Done used seven enials to represent in the story. They intelligence gained correspondents and ed" as accurately as key meetings of met committee, and cticians, playing the mne brought some



David Watt

## re and remarkable El Greco. At the Royal Academy.



1550-1700, The Golden Age of Spanish Painting n Murillo, Velázquez, El Greco and many others enriched the world with masterpieces. From 10 January for nine weeks only, 88 examples of these rare and remarkable paintings will be on view at the Royal Academy. A rarefied collection, many from private collections and foundations and on public view for the first time. It is an exhibition not to be missed. Academy of Arts 10 January-14 March

gether playing charades, because the standard of acting without exception, was amazingly high (and Raphael with his mistress) that would be a wow on stage).

That is unimportant. What is very significant is that it was ITN Granada which made this programme and got it passed by the IBA and on to the air at a time when the best that the BBC can do towards throwing light on politics is Politics Now, which looks like a paternalistic and didactic schools series of the early '80s.

A walkover to Lapping, Percy, and Granada.

CHRIS DUNKLEY

## Drury Lane Be-bop Deluxe

With two dazzling flashes of light, a considerable density of smoke, and some flickering fairy lights, Be-bop Deluxe was launched at London on Sunday night at one of those knowing audiences when the night can cast a critical eye over a record company's latest expensive flight of fancy.

Be-bop Deluxe are being groomed by EMI as this summer's musical sensation and since EMI can hardly count the cash it has been raking in from its current protégés, Queen, they demand some attention. As always the advance publicity latters them, but only slightly. Be-bop Deluxe are really quite good, and provide further proof that musical tastes are switching away from heavy, sense-crushing, electric rock, and towards a more melodic musicianship. It wasn't by chance that the interval music was old George Formby and Big Band records.

I can't say that I caught all of stager, guitarist, Bill Nelson's lyrics, but he obviously wanted me to, and Be-bop Deluxe definitely play songs. They are mostly Nelson's own compositions, and he has a keener ear for words than tunes. But songs like "Ships of the Night" and "Maid in Heaven" are fine by any standards and exceptional from a still inexperienced group. This inexperience produced a rather stiff performance but Nelson, significantly soft voiced and short haired, gradually came to terms with the conceited audience, and he was well backed by a bassist Charlie Tunstall who looks frighteningly like Jimi Hendrix, drummer Simon Fox, and a keyboard player, Andrew Clarke, who seemed rather marooned from his fellows.

ANTHONY THORNCROFT

Television

# Conversation pieces

by CHRIS DUNKLEY

The standard of talk on television is at a low ebb again. There is always an immense amount of talk sloshing about in the box, but sometimes the tide is high and sometimes very low. Last time I wrote specifically on the subject, in August, 1974, we were in the middle of an enjoyable flood: Wynford Vaughan-Thomas was luxuriating in his own eponymous series on Thames (he has been appearing in a variety of rather badly produced programmes ever since) and on BBC1's Personal Choice people such as Twiggy and Lord David Cecil were talking with animation and very obvious enjoyment.

These three people—Vaughan-Thomas, Twiggy and Lord David—illustrate a real requirement of television talk: genuine interest on the part of the talker. This is not to say that the film actress who goes along to tie that show primarily to puff her latest film, or the thriller writer who goes mainly to promote his new book, will necessarily turn to be an uninteresting conversationalist. But it does mean that when public

New College, Oxford

## Intermodulations

by DOMINIC GILL

In 1969 the composers Roger Smalley and Tim Souster came to New College, Oxford, to play three electric keyboards, I could make very little. Difficult to understand either the pleasure or the purpose of its simple four-bar phrase, repeated for 15 minutes, modified only by a few fairly obvious rhythmic changes, wholly in unison. The composer notes that the work "is not a systematic piece... does not manipulate or permute note-patterns on a systematic musical basis." At least if it had been, it might have shown some communicable sense of scheme or direction. Would it sound marginally more interesting—for reasons of purely physical tension—played on acoustic instruments?

The programme included a recording of the two composers, with nice relevance, a four-track tape piece by Smalley called Differida, which briefly but imaginatively explores and transforms the sound of the mature Australian instrument, and a new version of Souster's more elaborate and ambitious Spectral for viola, tape-delay and three synthesizers: this last, a rather beautiful homage to a song of the bump-backed whale, complex in effect but cunningly achieved by essentially very simple means.

Victoria,

Stoke-on-Trent

## The Silence of the Sea

Peter Cheeseman and his company have translated and adapted this simple tale from the French of Jean Brullier, who wrote the original in the Occupied France of 1942. An ageing narrator and his niece are holed up in a remote country town suddenly visited by a small group of Nazi soldiers. One of the soldiers is billeted in the house which begins to exert a strange effect on his tongue-tied aloofness. The literature lining the walls, the neat little harmonium with music open at a Bach Prelude, the haunting, persistent accompaniment of the winter drizzle and, above all, the quiet dignity of his hosts—all this draws him to glowing improvisation on the universal harmony of man's existence.

The piece is as precious as it sounds: until, near the end, the soldier returns from Paris horrified at the intention of his colleagues to destroy France's soul and make of her a grovelling bid. Until this point he has airily declared himself a Francophile at heart, convinced that political compromise will in the end pay aesthetic dividends. But when he hears the truth to him is not the brutality of war, but the suppression of literature. One feels that M. Brullier, who knew all about this at first hand, writing and printing under the name of Vercors, at last unleashes some real passion. The soldier, only faintly characterised by a gammy leg and a Germanic exactness of manner, puts in a request to be posted to the Russian Front.

The tale is told simply but ponderously, the old man popping in and out of the scenes as a golden-haired pipe-smoker and watchful uncle Jim Wiggins lets not a detail slip by without ramming it home with deadly emphasis. Sometimes this works; more often, it's like listening to Play School. The daughter, silent and modest until bidding the soldier goodbye with a frog in her throat, is well posed by Jenny Howe. And Bruce Alexander refuses to succumb to the banality of his speeches. The play runs for 90 minutes and is followed after an interval by The Great Theatre Show in which seven lively performers sing songs, recite poetry and generally set out to prove that theatre need not be mysterious or clever. They succeed, but I am not convinced of the point of their proposition. But I suppose it comes into the category of "A Good Night Out." My favourite item was a wicked rendition of Charles Marley as Othello giving Fanny Kemble, as Desdemona, a bruising time on the death bed.

MICHAEL COVENEY

brought into studio for similar scrutiny.

But (and here is the paradox) many of the opinions are delivered to camera by sportsmen, actors, actresses, trade union leaders and what have you, whose tastes and standards in books are completely unknown, while the one man who appears regularly every week and could establish a yardstick for his audience, who is himself a practising novelist, and whose opinions I would value most, is the person who says least: editor and presenter Melvyn Bragg.

I have yet to see a completely inarticulate guest on the programme (though some have come pretty close) but I cannot share the implicit belief not only that everyone is entitled to an opinion but that all opinions are equal in the eyes of the viewer. I would not go to a doctor to draw up a will, nor to a lawyer for an opinion on stomach ache, and I do not see why expertise as a comedian or actress should be expected to qualify anyone as an evaluator of books.

In fairness, however, it should be said that Read All About It does not limit its guests exclusively to showbiz personnel; last week V. S. Pritchett discussed Knut Hamsun, and every week at least one author appears, if only to undergo a brief inquisition.

The Parkinson show, on the other hand, appears to work entirely on the assumption that the only choice better than a star is a superstar (whatever the difference may be—sheer word inflation, presumably; watch out for the first superstar GT) and on the assumption that the acquisition of super-stardom automatically makes the opinions of the acquirer, the details of his

boring, little midget is a superstar.

Good evening. My two guests tonight are home grown superstars" were his first words. Later he said: "My other guest is reputed to earn £2m. a year... like Michael Caine he came from an ordinary background and became a superstar." Later still: "The thing, actually, that occurs to me about the two of you is that in the superstar bracket you've both got roots."

And towards the end of the show: "You are the two superstars in this country who have not gone to a tax haven abroad."

Now, as I discovered the first time I saw Michael Caine on a chat show, he can talk interestingly about himself, and certainly humorously. He is not, however, worth a full half hour of undisciplined gossip. Who is? The extraordinary thing is that that is what we get. Judging from Parkinson's complaints about people who just don't understand the hidden tensions and difficulties of his job, you might imagine that he is forever asking his guests academic, or at least searching, questions. Yet you would be quite wrong.

(Be honest now, though, sneer as I may, when it really comes down to the nitty gritty, would I actually have the guts to walk out there and sit down in Parkinson's chair and have a shot at the job myself? You bet I would—and so should any self-respecting teacher, barrister, businessman, actor, or anyone else used to speaking in public.)

This week an equally somnolent atmosphere pervaded Russell Harty, though this is not always so. In the past, the programme Harty gave a slight metaphorical push to Sir John Gielgud, a charming raconteur who is perhaps just a little bit too much aware of being a charming raconteur, and allowed him to coast downhill all the way to the end of the show.

Most weeks the interesting part of Russell Harty is working out what the host's questions actually mean, but this week there were so few that the opportunity rarely arose.

The best I can offer is: "You've always, have you not, throughout your life, in a kind of way, had your own way, or, finally? I mean I won't say you've been selfish, but can we go back to school? You certainly organised your school days on a kind of fat at Christmas." The astonishing thing is that Sir John happily took it up from there.

It goes against the grain to have to say it, because I intensely

dislike his "silly ass" style of acting, but Derek Nimmo's show, Just A Nimmo, is better value than Parkinson or Russell Harty. Even though the film of his own derring-do on a bucking bronco in an old clip that we'd seen before, the series as a whole is inherently more interesting because each programme is organised round a subject (dangerous occupations last week) and the guests chosen accordingly. Nimmo strikes me as a better chat show host than actor.

Yet I would not want to imply that there was any really fascinating talk going on in Just A Nimmo. "Blaster Bates" is a quirky man, Clare Francis sailed alone across the Atlantic and might have useful insights for us, and Julian Pettifer is a practised performer, but not one of them is new to television, and as it turned out, no one had anything very original to say.

The programme I am waiting for is Esther Rantzen's People Show. This would be an expansion into a whole programme of the vox-pops which at present open That's Life. Provided there was no suspicion of the patronising tone which (I think) I occasionally detect, this could be a genuinely original talk show with the pronouncements of the participants—be they superstars or sandwichmen—selected for their interest, appositeness, insight, humour, or whatever; anything other than the size of the speaker's bank balance.

It would make a change from the drone of the showbiz crowd.



Melvyn Bragg

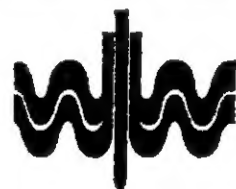


Russell Harty



Michael Parkinson

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THE NORTHERN TRUST COMPANY  
THE PROVINCIAL BANK OF CANADA  
SOFIS LIMITED  
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CITICORP INTERNATIONAL BANK LIMITED

AGENT

JANUARY 27, 1976



## WORLD TRADE NEWS

## Brazil curbs luxury imports

BY DAVID WHITE

BRAZILIAN IMPORTS of a larger number of "superfluous" goods — ranging from cars to spirits — have been effectively cut off until June 30, as part of a series of emergency measures to correct the imbalance in the country's foreign trade.

The official trade authority Caecex published a list of items for which import registrations will be withheld. Technically this does not amount to prohibiting imports, which would be contrary to GATT rules, but means that importers will be liable to fines of around one and a half times the value of the goods for failing to obtain the registration formalities. These fines are 100 per cent of the value plus 50 per cent of ordinary duties, which for luxury

goods are in many cases already 100 per cent or over.

Whisky, which Brazil imports from Britain alone to the tune of \$14m. a year, is exempted from the restriction, as are watches, perfumes and some food items.

The measure follows a severe tightening of Brazilian import controls in October last year. This was reinforced by additional curbs in December, including a compulsory 360-day deposit, equivalent to the purchase value, on a wide range of imported goods. These appear to have had little effect on the luxury category such as boats and electrical equipment. Caecex figures show that imports

of goods, considered superfluous, that is, those which overlap with locally-made products, dropped only slightly last year from \$2,290m. to \$2,120m.

Brazil's trade deficit in 1975 was \$3,500m., \$1,100m. down on the previous year. A further reduction is expected this year.

The main item affected by the new curb is fruit, which cost Brazil \$118m. last year. However, imports from neighbouring countries of the Latin American Free trade Association are, under LAFTA regulations, not included.

Rumours of the impending curbs yesterday had a spectacular effect on retail prices of imported goods. Whisky,

RIO DE JANEIRO, Feb. 10.

although not included in the ban, went up from around \$5.50 to around \$30 for an ordinary brand, and a quarter-pound of tinned salmon now goes for \$4, which for most Brazilians is more than twice the daily wage. Sales of foreign cars are reported to have stopped completely.

The rising barrier of duties and import controls has had the inevitable result of strengthening the black market. Yesterday's measure coincided with a record haul of contraband off the coast of Recife. The Cypriot freighter Tempra was detained by the Brazilian Navy with an estimated \$5m.-worth of contraband aboard.

## Torture 'an institution in Chile'

THE United Nations Commission on Human Rights in Geneva yesterday received an official report that the regime in Chile has now institutionalised the use of torture ranging from cold and methodical to barbaric sadism, UPI reports.

The report, 67 pages long and based on one year of investigation, came from a five-member special committee chaired by Mr. Ghulam Ali Akhbar of Pakistan. It also included institutionalised and has become a part of the present Government, the report said.

"The methods used continued to be characterised by extreme ruthlessness," it said. "The methods included the systematic application of torture as a means of extracting information or of punishing and destroying political opponents to frequent manifestations of barbaric sadism by individual operators."

Kennedy tops

A public opinion poll published in New York yesterday said that Senator Edward Kennedy was the clear leader among Democratic and independent voters as their choice for this year's Presidential Democratic candidate, Reuters reports.

Sen. Kennedy was backed by 29 per cent of the 2,500 people questioned by the Louis Harris Poll, followed by Sen. Hubert Humphrey with 18 per cent. Neither Senator is a declared candidate, and Mr. Kennedy has said that he would not stand even in response to any popular appeal at the Democratic convention in July.

Working hours

U.S. Government estimates have disclosed that American factory employees had to work two hours and 16 minutes in 1975 to buy nine selected goods, compared with only one hour and 32 minutes to earn in 1974, UPI reports from Washington.

Oil demand

The amount of petroleum used in the U.S. declined for the second year in 1975, according to a report by the U.S. Energy Department, which is important in view of the government's policy of conservation, warm weather and conservation, according to Chase Manhattan Bank, AP-DJ reports from New York.

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## Argentina turns to IMF for loan to cover debts

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

ARGENTINA has exchanged the possibility of raising private international loans and a \$345m. loan from the International Monetary Fund, Sr. Emilio Mondelli, the Economy Minister, said in Buenos Aires on Monday.

Sr. Mondelli said the month took over the economic portfolio after a spell as chairman of the Argentine Central Bank.

Mr. Mondelli denied that it would declare a moratorium on its debts but equally emphasised that Argentina would not be the official special commercial stand-by loan from the IMF. The acceptance of the IMF terms imposed by the IMF for a standby loan traditionally evoke much hostility from political circles in Argentina.

Argentina needs to pay out about \$1,500m. this year on account of its gross foreign debt which is put at \$8,500m.

Argentina hopes for bumper receipts from grain sales, with the international cereal market very firm, have been clouded by drought which has caused an estimated \$500m.-worth of damage to the sorghum and maize crops.

Argentina is expected to suffer a balance of trade deficit of \$300m. in 1976.

The peso has this month been quoted in Buenos Aires as low as 24 to the dollar, compared to the official special commercial rate which was fixed at \$8.40 at the end of last year. The move to the IMF comes after the failure of the financial mission sent to Europe in November to raise \$300m. from commercial banks.

Meanwhile, Sr. Mondelli is continuing to try to persuade the employers' organisation off their day's stoppage for Monday. The employers' organisation, supported by the Government's economic body, to protest against the Government's economic policy.

Several helioscopes were set up in the countryside to day with the aim of raising the death toll to 18,000.

Although adequate attention often seems to be given to the nation-wide epidemic of violence, the guerrillas' announcement that the general had been killed.

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## Kellogg to build gas plant for Algeria

ALGIERS, Feb. 10.

ALGERIA HAS signed a contract with Kellogg Construction Company of the U.S. to build a second gas liquefaction plant at Arzew in western Algeria.

The plant to be built by Kellogg, a subsidiary of Pullman, is expected to begin production in mid-1979 and will eventually produce 10,500m. cubic metres a year. The gas is destined for the U.S. consortium East Coast Gas, the Belgian company Distrigaz and other clients of the Algerian state hydrocarbons concern Sonatrach.

Construction of the plant will be partly financed by credits of \$25m. included in the Districts contract signed last November.

Diplomatic sources said the rest of the finance for the \$1bn. plant was likely to come from a new Eurodollar loan and from other European recipients of the gas.

The U.S. construction company Bechtel International last month signed a contract to complete the first Arzew liquefaction plant which is due to begin production next year, taking over from Chenies whose contract was cancelled last November.

Siemens US computer pact

By Nicholas Colchester

BONN, Feb. 10.

SIEMENS, the largest West German electrical and electronic company, has signed a co-operation agreement on semiconductor microprocessors with Intel of California, which has established itself as one of the world's leading companies in this field.

The deal is consistent with Siemens' recently adopted strategy of making selective use of outside sources of technology in developing its own abilities in the electronic and data processing fields. The arrangement embraces microcomputers, the relevant software, and support systems.

The agreement provides for each company to sell products of the other under its own brand name. It does not provide for co-operation in research and development. Siemens concedes that to start with the flow of products and licenses will be chiefly from America because Intel has a commanding position in microprocessors. But later on Siemens hopes to even the score.

It is widely accepted that the development of the microprocessor is revolutionising the computer business by bringing the computer into everyday consumer products. It is a field to which Siemens attaches great importance when it surveys the future development of its own business.

The agreement was announced to-day following similar ones signed between major European companies and sources of American microprocessor skills. GEC of Britain already has an agreement with Intel, and AEG-Telefunken with Rockwell International.

## Japanese trading groups to market Venezuelan oil

BY CHARLES SMITH, FAR EAST EDITOR

A GROUP of Japanese trading companies and banks are to form a company to export Venezuelan oil to third countries, thus bringing Japanese companies for the first time into competition with the international majors in world oil trade.

The members of the group will include the four biggest trading companies, Mitsubishi, Marubeni and C. Itoh and may take in at least two more, Sumitomo and Nishio-Wal. The company will handle about 100,000 barrels a day of Venezuelan oil, probably selling much of it in the U.S. which is already the main export market for Venezuelan oil.

The 100,000 figure is understood to be a target, rather than a contracted figure, and forms about one-fifth of the volume of oil which the Venezuelan Government will have available for direct sales following the nationalisation of the oil industry last year. Total Venezuelan oil production is around 2m. barrels a day, but some 1.5m. barrels of this amount will continue to be handled under contract by international majors.

The Japanese export project, which marks the first large-scale venture of trading companies into the oil business, is the outcome of talks which started at the end of 1974 when three Venezuelan Ministers visited Tokyo.

The details of the compromise between the country's two rival airlines, Thai International and Air Siam, which will allow both to continue operating at lower seating capacities on the lucrative Hong Kong-Japan sector and thus encourage the British to lift their ban out of Hong Kong on Thai carriers which they maintain are operating at gross over-capacity.

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## Nippon Kokan proceeds with Canadian steel mill

TOKYO, Feb. 10.

NIIPPON KOKAN, a major Japanese steelmaker, said it will proceed with its planned steel mill construction plan in British Columbia.

A spokesman for the steel company said the decision to proceed was made after recent talks between Yukio Miyake, managing director of Nippon Kokan, and Government officials of the Canadian province.

Considerable interest had been shown in Japan as to whether the recent change in the British Columbia Government would affect the project, which was under British request of the previous government.

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## Bulgaria's industrial expansion will use Western technology

SOFIA, Feb. 10.

BULGARIA WILL invest heavily in new technology during the new five-year plan which has just started and will be looking for foreign licence buying. But it wants foreign technology on the basis of co-operation so that the cost can be repaid in subsequent production.

No details are yet available of Bulgaria's future foreign policy. But officials here believe the role of trade must inevitably rise from its already high level of 40 per cent of GNP, if the country is to meet the 9 per cent growth target, one of the few figures so far published.

The share with the West is also likely to rise because the West is in deficit and the country has been borrowing on the Eurocurrency markets. The Lev has also been sharply undervalued, ostensibly to counter the depreciation of Western currencies. But the rate is now artificially high, making Bulgaria expensive for foreign visitors.

Anglo-Bulgarian trade was disappointing last year. U.K. sales rose slightly to £23.5m. but imports dropped by nearly half to £7.4m. The recent Cadbury Schweppes deal, which has swamped Bulgarian shops and bars with tonic water and fruit juice, has been a morale booster, despite what are described as teething problems. The drinks are produced under licence in Bulgaria and will eventually be sold in third markets.

Other co-operation deals in industry and agriculture are also being discussed, holding out prospects for a higher level of trade later on.

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## Dutch investigation team named

BY MICHAEL VAN OS

THE DUTCH Government stated in a letter to Parliament in The Hague to-day that a three-man committee had been appointed to investigate the Lockheed affair, which is important in view of the government's policy of conservation, warm weather and conservation, according to Chase Manhattan Bank, AP-DJ reports from New York.

The amount of petroleum used in the U.S. declined for the second year in 1975, according to a report by the U.S. Energy Department, which is important in view of the government's policy of conservation, warm weather and conservation, according to Chase Manhattan Bank, AP-DJ reports from New York.

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## Breakthrough for Ro-Ro services

BY JAMES BUXTON

WHAT IS claimed to be the first roll-on roll-off trailer service direct from Britain to Nigeria unloaded in Lagos on Monday, representing a significant breakthrough in shipping to the fast-growing Nigerian market. The ro-ro ship Falster, operated by Waco Lines, arrived at Lagos from Felixstowe last Saturday.

Waco expects the Falster to arrive back at Felixstowe on February 19 and depart within less than 24 hours for Lagos (which is 11 days sailing). On her first voyage there she carried 61 trailers and a Jaguar car, filling the remainder of her 65 trailer cargo space with air lights for the Nigerian Port Authority. The trailers left the quayside and were transferred to the Nigerian clearing agents' compound.

With more than 100 ships waiting to enter Lagos harbour, and other Nigerian ports also congested, ro-ro services have obvious potential. But there are also major difficulties, which include a shortage of wharf space, difficulty in clearing ships and cargo through customs, and problems in persuading Nigerian consignees to collect their cargo until they have room to store it (one of the main causes of the Nigerian port congestion). As a result, although several shipping companies and agents have announced that they are starting up ro-ro services to Nigeria, Waco is the first to materialise.

Waco says that it has spent several months making its arrangements with the Nigerian authorities and only now has it been able to start. Another shipping concern, BFI Line, which spent nearly a year studying the problems of shipping to Nigeria, has also obtained permission from the Nigerian Ports Authority for a ro-ro service to Lagos but decided that the difficulties on arrival were too great: instead it is operating a developing a service to the port of Tema in Ghana, whence the trailers go

by road across the states of Togo and Benin to Nigeria, as well as to other destinations in West Africa.

BFI concluded that if it used Lagos its trailers were likely to get bogged in problems after being unloaded. It therefore spent some time persuading officials in Ghana, Togo and Benin, as well as Nigeria, to accept the novel principle of large-scale trans-frontier transport in West Africa. It now claims that there are no customs holdups on its route and it makes a demurrage charge if any trailer is delayed at the Nigerian frontier because the consignee of the goods is not prepared to take delivery when they cross the border.

BFI, whose next sailing is from Sheerness on February 18, offers a transit time of between four and five weeks. It is building up three pools of trailers—one in the U.K., one on the high seas and one in West Africa—which will enable it to offer a smooth service. It is also hoping to run a small ro-ro ship from Tema to Lagos carrying six trailers which it thinks will be a more manageable number.

Later this month a third service to Nigeria begins from Avonmouth operated by Inglesham Shipping and Forwarding and Dicker (CL) Continental Range of Brentford. It will use the port of Waco east of Lagos, and it is hoped that it can unload overnight within 12 hours.

The gradual growth of ro-ro services to Nigeria should make unconvincing one of the possibilities that has been put up for beating the Nigerian port congestion—going by road across the Sahara. Only a token number of trucks has actually made the journey and there is general consensus that the difficulties and dangers are too great to make it feasible.

## Bid to question former Japanese Premier

TOKYO, Feb. 10.

AN OPPOSITION member demanded to-day that former Prime Minister Kakuei Tanaka be summoned as a witness to Parliament to answer questions about alleged Lockheed aircraft payments.

Mr. Tanaka's predecessor, the late Mr. Eisaku Sato, decided in early 1972 that Japan should manufacture anti-submarine aircraft. This decision was reversed in late 1972 after Mr. Tanaka came to power.

Prime Minister Takeo Miki, who succeeded Mr. Tanaka, however, has not decided from where the Government planned to purchase such aircraft for the country's Self-Defence Force, which is charged with watching suspicious submarines in Japanese territorial waters.

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## OVERSEAS NEWS

## Rabin still faces split in Israel Labour Party ranks

L. DANIEL

TEL-AVIV, Feb. 10.

RAIL members of the Rafi of Israel's ruling Labour have been in touch with the National Religious Party, as well as the opposition and the ultra-Orthodox Aguda religious party, and out on the possibility of forming an alternative government, according to a source.

Premier Yitzhak Rabin's apology in the Knesset regarding his statement on the composition of arms requests to the as by no means put an end to the potential split between him and the Defence Minister, Shimon Peres.

Rabin has preserved confidence in public, despite the fact that some of the statements were widely interpreted as an attack on him, preferring Mr. Rabin to explain it, as Premier, rather than a partner in the coalition of the lists of arms before their submission.

Refusing of the party was by Moshe Dayan and is represented in the Ministry of Defence. The Religious Party is a member of Mr. Rabin's coalition.

Peres has been careful not to let these preliminary preferences to let events

take their own course, which, he estimates, can only be in his favour. The parties that have been in touch could not command more than 60 votes in the Knesset.

What unites them is their far harder stance on the West Bank, it being pointed out that the original mandate of Palestine extended to both banks of the Jordan (including Amman), and was artificially split by the British administration in 1922, so the West Bank is in fact part of Greater Israel.

If Premier Rabin's efforts to come to an understanding with King Hussein of the West Bank — an understanding which must include the settlement of the question of the Palestinians, the vast majority of whom live in the West Bank — are successful, Mr. Rabin may remain in the saddle.

However, any withdrawal from the West Bank is subject to a general election and an undertaking given by successive Labour Governments. Should Mr. Rabin not succeed in his efforts to get an agreement with Jordan, the Labour Party itself may come to the conclusion that it would be better to have a hard-liner from its own ranks in the post of Premier, like Mr. Peres, rather than a coalition dominated by the opposition Likud.

Thus it is unlikely that any-

thing dramatic will happen immediately, but one of the favourite parlour games here at present is drawing up lists of an alternative government, which, if based on Labour in its present composition, would involve changes in the Foreign Ministry, Defence Ministry (if Mr. Peres should move into the Prime Minister's office), as well as the key posts of Minister of Finance and Minister of Commerce and Industry, both of which, it is felt, are being filled by men unable to cope with the huge economic problems Israel will be facing, if not in a matter of weeks, then in a matter of months.

Even the Labour Party daily newspaper, Davar, says this morning that the Opposition would have done well not to table its motion of no confidence in the Knesset yesterday, because by so doing it forced the warring factions in the Labour Party to unite, at least on the surface.

The afternoon paper Yediot Aharanot terms the rejection of yesterday's opposition motion of no confidence a pyrrhic victory for the Government, and the statements on behalf of the Government as "unconvincing."

Naariv adds that while the Government succeeded in the Knesset, it did not succeed in convincing the public that this outward solidarity extends also to internal relations within the party.

## Group of 77 approves trade guidelines

MANILA, Feb. 10.

THE WORLD'S developing countries finally agreed here today to make full use of their bargaining power in getting a larger share of international trade and wealth.

At the closing session of the Group of 77 of the UN Conference on Trade and Development (Unctad) ministerial meeting two documents, to be known as the Manila Charter, were approved by delegates from 110 developing countries of Asia, Africa and Latin America.

During the Group's meeting, which started on February 2, delegates approved the membership applications of Malta and Romania, which with the other new members, Surinam and the Palestine Liberation Organisation (PLO), brings total membership to 110.

The Manila Charter calls for the restructuring of international trade in commodities so that prices are stabilised and export earnings of developing countries are raised.

It calls for a reform of the international monetary system that will meet the interests and needs of developing countries, and urges developed nations and international organisations to alleviate the debt problems of developing countries.

Reuter

## CHINA'S PREMIER PUZZLE

## A struggle not yet over

BY COLINA MACDOUGALL

HUA Kuo-feng's appointment as China's acting Premier, which came so unexpectedly on Saturday, is a convincing indication that the dimly visible struggle for power in Peking since the Cultural Revolution is far from over. Though it is possible that Teng Hsiao-ping, who had seemed the obvious heir for the past 12 months, is merely waiting in the wings for a bigger and better job when Mao dies, Hua is now senior to him in government — though not in party ranking.

While Teng could still make a comeback, it seems unlikely that the National People's Congress (which technically should appoint the premier) will reverse the decision.

Teng, in the eyes of tens of thousands of politically-conscious Chinese outside the top leadership who, like foreign China watchers, have to deduce what they can from the bald announcements of the New China News Agency, does seem to have slipped in status. What shifting of allegiances will follow from that no one will ever know precisely. But the net result is likely to be a weakening of the pragmatic group in the leadership. While it may be oversimplifying to see Chinese leaders sharply in terms of radicals and pragmatists, there is not much doubt that some believe in a much more rapid and, if necessary, chaotic advance to Communism than others. And while the divisions originally may have been purely along political lines — there is now a much stronger personal

and power struggle element. Hua himself is no kind of radical. As a former bureaucrat who faced trouble in the Cultural Revolution, he has a similar — though less controversial — background to Teng's. He seems a capable man, but he lacks the national influence which Teng as a Long March veteran and a Peking cadre member of over 20 years' standing could exercise. Teng, despite his disgrace in the Cultural Revolution, obviously must have contacts and supporters in every major organisation in China; Hua, who came to Peking from Hunan province only after the Lin Biao affair of 1971, could hardly have the nationwide links of personal loyalties which are still important in the Chinese system. His lesser stature is a weakness which the radicals are sure to exploit.

A perpetually baffling question, however, is who precisely are the radicals and where do they get their power? The obvious contenders for the title, Chiang Ching (Mao's wife), Yao Wen-yuan (a former Shanghai journalist at one time rumoured to be Mao's son-in-law) and Wang Hung-wen (a young party vice-chairman who soared to the top but who is lately somewhat under a cloud) do not look like potential national leaders, especially when compared with wily old birds like Teng Hsiao-ping. Chang Chun-chiao, previously Shanghai administrator and now senior office holder in party, government and military, is a serious proposition, but he remains a dark horse whose



Hua Kuo-feng

views are unknown in the outside world.

Radical support in the rank and file is just as hard to identify. There is probably not much born of true inclination in the government bureaucracy, nor in the industrial workforce, nor obvious moderate heads rolling, but the intensity now seems to be growing. Since the New Year the call to put politics before everything else, including the economy, reads like a criticism of the whole spirit of last year's Mao and the Cultural Revolution are probably enough to attract a following in a fierce of China's march forward to its campaign — such as the present industrial development.

"revolutionary mass debate" an education might well become. This is simply because no-one can afford to appear to be anti-Maoist.

Most puzzling of all is the role of Chairman Mao. Is he now urging on the radicals to counter-balance what he sees as tendencies to revisionism? But if he brought back Teng three years ago — and there is good evidence that he accepted him as part of a collective succession, if not as sole leader — why has he apparently allowed him to be pushed aside now? Although Mao is obviously showing his age, he almost certainly is still involved in crucial appointments and high-level decisions. Last weekend's invitation in former President Nixon is believed to be his own initiative, which seems to show, if nothing else, that he is still capable of bold and unexpected decisions. Even though his intervention in daily politics is minimal, he must still be the source of the radicals' power.

Although there has been a series of radical campaigns since the anti-Lin, anti-Confucius movement of 1974 without any obvious moderate heads rolling, the intensity now seems to be growing. Since the New Year the call to put politics before everything else, including the economy, reads like a criticism of the whole spirit of last year's Mao and the Cultural Revolution are probably enough to attract a following in a fierce of China's march forward to its campaign — such as the present industrial development.

## SIANE INITIATIVE UNDER ASSURE

## Egypt is accused of Lebanon interference

HSAN HJAZI

BEIRUT, Feb. 10.

ARAB conflicts seem to be the Syrian initiative in the Lebanese crisis, as emerged following the visit of President Hassan al Bakre, and criticism of the Syrian role in the Arab world.

al Bakre declared in a speech in Baghdad on Sunday that he would not stand by and act with every available force "should Left and Palestinian elements in a Middle East series be suppressed in Lebanon." He said the warning prompted by an armed attack on January 31 against the headquarters of two newspapers, the daily papers, Beirut Moharrir.

People were killed in an attack in which 100 heavily armed commando group Al participated. The fact that the attack was "undisciplined" was not satisfactory, said President al Bakre, "organs of the Syrian

admitted his criticism of the Syrian role in the intervention last week to the magazine Al Hawadess, accused the regime in Beirut of being the main cause of unrest for Lebanon. President's stronger criticism against the Syrian were not printed by the press, according to press sources.

caused concern in parliament, however, was Mr. Bakre's remark that the Lebanese crisis is only at its beginning.

## Nkomo denies stalemate

ONY HAWKINS

SALISBURY, Feb. 10.

THE CONCLUSION of an session of talks between the Rhodesian Government and the African National Council (ANC) today, said Nkomo denied that the talks were deadlocked, that the two sides will meet on Friday.

The meeting was the first in three weeks, and had against a background of speculation both here and abroad, that the talks are in a stalemate.

## Malaysia terrorist threat

NIST terrorists fighting Malaysia now number more than 100 and they include two as well as Malays, Chinese and Thais, Kevin reports from Kuala Lumpur.

figures, which show a rise in Communist were given by Tan Sri Shafie, Malaysia's Home Minister, in an interview with local business paper. But he stressed that the "terrorists" are perpetually on the move because of security pressures. An informant said that terrorists had infiltrated into Malaysia, and are operating from deep bases.

ian arrests  
Malian Government has about 37 University of students following the of the university on our Lusaka correspondent. Two more expatriates have been detained, Sir being closed down for two months while Spain handed over the territory to Morocco and Mauritania. Reuter reports. But the 60-mile conveyor belt taking ore to the coast is still under repair, officials said, after being damaged by saboteurs, believed to be guerrillas of the Polisario Front movement which opposes the Spanish handover.

uti cordon  
legionnaires and riot ordered off the African of Djibouti to day threatened demonstration against the arrival of

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## EUROPEAN NEWS

## Italian minority cabinet may be formed to-day

BY ANTHONY ROBINSON

ROME, Feb. 10.

PRIME MINISTER designate Aldo Moro to-day formally accepted the task of forming a new minority Christian Democrat Government. He went to the Presidential Palace at noon to inform President Giovanni Leone that the new Government is assured of a small majority in both Houses of Parliament based on the support of the CD Party and the Social Democrat Party and the abstention of the Republican and Socialist Parties. The small Liberal Party meets to-morrow to decide whether to abstain or support the Government with its votes in Parliament.

On this basis the new Government is assured of a majority of about 20 votes over the opposition of the Communist Party and the neo-fascist Movimento Sociale Italiano (MSI).

Sig. Moro has not yet presented the list of Ministers and Under-Secretaries, but this is expected within 24 hours. One former Minister not expected to be included in the new Government is the Interior Minister, Sig.

## Swedish shipyards plan 30 per cent. labour cut

BY JOHN WALKER

STOCKHOLM, Feb. 10.

THE SWEDISH shipyards plan to cut their labour force by 30 per cent in the next three to four years, according to reports from the national shipyard council, Gotaverken in Gothenburg is to reduce its labour force by 2,000 to 20,000 employees, while Uddvalva shipyard north of Gothenburg will reduce its production by between 200 and 300 in the case of the Uddvalva shipyard, production will be lowered by 35 per cent, and by 30 per cent at Kockums. In all cases, it is hoped that there will be almost no redundancies, the cost

## Soviets hit back on grain

MOSCOW, Feb. 10.

THE SOVIET Union to-day angrily rejected Western suggestions that its agricultural system had failed and argued that in equal conditions its collective and state farms could produce more grain than the private farmers of the U.S.

The assertion was made in an article in the Communist Party newspaper Pravda, which also said Western predictions that 1975 would be a year of stabilisation in the Soviet economy were "vicious fabrications."

The article, by economics Professor Georgy Khromushin, was

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## Dassault salesman on trial in Holland

By Michael Van Os

AMSTERDAM, Feb. 10.

THE DUTCH representative of the French Dassault aircraft corporation went on trial here to-day charged with trying to bribe two members of the Dutch Parliament to push the purchase of French aircraft.

Mr. Jan Botterman denied the charges at the start of a two-day trial before an Amsterdam tribunal. The charges followed a judicial preliminary inquiry into the competition for the so-called "arms deal of the century" in which the Dutch choice was crucial.

The two Dutch MPs were members of the Parliamentary defence committee, and one was Mr. Piet Dankert, an influential Labour Party member and also its spokesman on foreign and defence affairs.

He claimed to have been offered more than Fls.1m. against Fls.30,000 allegedly offered to the Liberal Party member, Mr. Wim Keijs, for his Party's fund.

This morning, Mr. Botterman was also accused of having made a "suspicious offer" during a lunch with a Dutch State Secretary for Defence in connection with French arms sales.

Only days after it was reported from Brussels that the Belgian Government was facing a new controversy over the compensation order involving the purchase of the U.S. General Dynamics fighter instead of the Dassault Mirage F1 in the recent competition, Holland's largest industrial union this week expressed similar worries about the compensation package as far as Holland was concerned.

Later, a spokesman for the PVDA Labour Party, which is the chief party in the current coalition, said that his party shared the union's concern over the matter. He added that the party had much to say in demanding a fuller study of the compensation package procedures and agreements.

The union spokesman of the Industriële Nieuw Vrijheid (INV) said that, partly in view of the increased manufacturing costs in Europe compared with the U.S., the number of man-years work created by the American contract was bound to be lower than first anticipated, a claim he could not substantiate.

He also expressed worries about whether Fokker, the Dutch aircraft manufacturer, would be getting all of the work, or whether part of it may go to the company's parent company VFW in Germany, as there was a shortage of skilled labour in Holland.

He charged that the Dutch company was "more interested in obtaining technical know-how" from the General Dynamics deal than in achieving additional employment in Holland.

## Libya wants Algeria merger

PARIS, Feb. 9.

LIBYAN LEADER Muammar Khaddafi said in an interview published to-day that he is discussing a merger with neighbouring Algeria but expects long preliminary talks. In an interview with Le Monde's Middle East correspondent, Eric Ruygeau, Khaddafi paid tribute to Algerian President Boumedienne's "new line in favour of Arab unity." He said studies and negotiations for a merger between the two countries were in progress, but he no longer believed that unity could be achieved quickly. AP-DJ.

## North-South dialogue begins in earnest

BY MALCOLM RUTHERFORD

NEARLY TWO YEARS after it was first proposed, the consumer-producer dialogue finally got down to detailed work in Paris to-day. The official title is now the Conference on International Economic Co-operation (CIEC) and the more popular one the North-South dialogue.

## Ortoli urges EEC 'gold pool' as step to monetary un

BY ROBIN REEVES

IN A FRESH bid to re-launch progress towards European Economic and Monetary Union, the Brussels Commission is considering calling on Common Market Governments to pool part of the gold reserves being returned to them by the International Monetary Fund.

This was revealed here to-day by M. Francois Xavier Ortoli, president of the Commission, during his annual address to the Strasbourg Parliament on "the state of the Community." The Commission president described the absence of any decisive progress towards economic and monetary union (EMU) as the biggest item in the Community's development. "Circumstances are largely to blame but there has been a lack of conviction too," he declared.

"Yet it must be made clear that EMU is not only essential to European integration. It is also, quite simply, the only remedy for the ills that beset us individually," he said, in endorsement of the Tindemans Report conclusions.

Some two years ago, member Governments drew back from pooling part of their own Central Bank reserves as part of the now abandoned plan to achieve EMU by 1980. The Commission evidently hopes with its new initiative that member Governments will prove less possessive over a proportion of the one-sixth IMF gold being returned to them at the official price. Under the recent Jamaica IMF agreement, a further one-sixth is being sold to help developing countries in chronic balance of payments difficulties.

M. Ortoli said that IMF gold in Community hands could be used to form part of reserve assets and European currencies to be deposited with a more powerful European monetary co-operation fund (EMCF) which would aid currencies in difficulties.

The pooling of credit would be further precipitated by using the new unit of account (EUA), based on the daily value of a basket of EEC currencies, he suggested.



Francois Xavier Ortoli

"The EUA's role could be extended to be used in settlements between monetary authorities under the aegis of the Monetary Committee on the development of loans in EUA? This parallel currency approach deserves to be systematically explored."

This would be all part of a fresh concerted effort to achieve and maintain internal and external monetary stability in the Community. M. Ortoli was in no doubt it required a single body at EEC level to assess decisions relating to credit, liquidity policy, interest rates and exchange rates. "It could be done by an EMCF if it was given wider powers and greater resources and provided with an appropriate administrative structure," he said.

Ortoli envisaged a further overhaul of the intra-EEC currency exchange system undertaken in 1975. Changes could be made in the roles for intervention, the financing machinery, and the definition and compliance with the economic discipline "which goes with greater solidarity." He also called for Commission to initiate the setting up of a working party

under the aegis of the Monetary Committee on the development of loans in EUA? This parallel currency approach deserves to be systematically explored."

Besides getting his road to EMU, M. Ortoli's Parliament he envisaged other major priorities coming year. One was a united front on monetary policy issues of the more particularly, in the North-South conference the question of setting settled.

The other was a 1st of European union is of the Tindemans Report he admitted a direct Parliament, with power, he did not endorse the main Parliamentary reason that the Parliament granted the same right to Community policies.

## Portuguese land: Military weighs in against farmers

BY PAUL ELMAN

LISBON, Feb. 10.

PORTUGAL'S military leadership to-day came down publicly on the side of the Government in its dispute with farmers over agrarian reform.

In a statement issued after a meeting lasting into the early hours of this morning, the Revolutionary Council of the Armed Forces Movement, the country's supreme decision-making body, firmly supported the Government's intention to "regularise" the situation regarding land illegally occupied.

The Agriculture Minister, Dr. Lopes Cardoso, has provoked the anger of the leaders of the Portuguese Agricultural Confederation by suggesting that much of the 1.75m. acres illegally occupied will remain in the hands of the workers who took them over.

A leader of the Confederation, contacted by the Financial Times to-day, said the organisers of the farmers' movement would be seeking a meeting with representatives of the Revolutionary Council as soon as possible to "clarify" the meaning of to-day's statement. He suggested that the movement would be seeking a meeting with representatives of the Revolutionary Council as soon as possible to "clarify" the meaning of to-day's statement.

Observers here were suggesting to-day that the farmers' leadership has now been effectively challenged to admit the truth of allegations that its political aims are broader than simply ending land occupations and that it is part of a widespread campaign to return Portugal to a right wing authoritarian regime.

## Turkey puts off talks with U.S.

BY METIN MUNIR

ANKARA, Feb. 10.

TURKISH FOREIGN Minister Tansu Sabri Caglayangil to-day put off his visit to Washington for talks on normalising Turkish-American defence relations. The decision was said to have been taken because of the illness of Dr. Kissinger's wife, Nancy.

Mr. Caglayangil's visit, which was scheduled to start to-morrow, "will be re-scheduled to a date nearest possible mutually agreed date," the Turkish Foreign Ministry here said. This is expected to be either the end of this month or the next.

Although Mrs. Kissinger's illness was the official reason for the postponement, there was some doubt here last week whether Mr. Caglayangil

would keep his appointment with Dr. Kissinger.

Well-informed sources say Ankara was disappointed with the debate in the U.S. Senate which once more imposed new conditions pertaining to Cyprus on the extension of military aid to Turkey. Also, the Foreign Ministry was dissatisfied with the progress being made in the Turkish-American talks in Ankara on drafting a new defence treaty. These led the Foreign Ministry to believe that the appointment in Washington was not timely, the sources said.

The postponement of the visit means that the U.S. will not be able to reactivate its bases at least until the visit does take place.

## Spain stock market prices sag

Index sagged yesterday following the announcement of the Spanish Government's efforts to solve serious economic problems by effectively devaluing the peseta, Reuter reports. The Government's decision to let the peseta float downwards by 10 per cent, was expected to increase living costs and cause further labour unrest in Spain.

Meanwhile, an 18-man commission charged with reforming the authoritarian regime left by General Franco is being called to its first session to-day. Headed by Prime Minister Carlos Arias Navarro, the commission is drawn from the Government and the National Movement, Spain's only legal political party.

## Basque killing

Suspected separatist gunmen yesterday killed a man in the Basque town of Churruarri, according to the Spanish news agency quoted by UPI. It was the second political slaying in two days in the Basque region.

## Swiss investment

The Swiss Government has presented a third anti-inflation programme involving the sale of new orders totalling some Sw.Frs.2bn., writes John Wicks. It consists of an actual investment plan involving some Sw.Frs.1.2bn. and a Federal investment bonus of 10 per cent equal to credit worth about Sw.Frs.800m. Of the Sw.Frs.2bn. total, the Confederation will participate with a share of Sw.Frs.750m., the Federal Railways and Post Office with Sw.Frs.170m. and Cantons and communes and others with Sw.Frs.1.622m.

## Polish votes

Poland's Sejm (Parliament) yesterday passed a series of constitutional amendments which include making Poland's foreign policy aims with those of the Soviet Union, Reuter reports from Warsaw. The amendments—the first constitutional changes for 24 years—also stress that Poland is a Socialist State with the Communist Party providing the guiding force.

## Libyan visitor

Libyan Premier Abdel-Salam Jalloud has arrived in Paris for a short visit during which he will meet President Giscard d'Estaing and other top officials, Reuter reports.

In the absence of official information, the local Press has speculated that the visit is linked to sales of French arms to Libya.

## Greeks welcome Nine's verdict

BY OUR OWN CORRESPONDENT

ATHENS

GREEK PREMIER Constantine Karamanlis declared to-day that full membership of the EEC will of simple economic safeguard its democratic regime. In a written statement, he expressed his profound satisfaction at yesterday's decision by the EEC Committee of Ministers to have forced Mr. Karamanlis to revise his former Greece wait for a preparatory period before it could join the Community.

He said the EEC Ministers' decision was a historic landmark for Greece. But he recognised that the road to full integration will be neither short nor easy, since the negotiations which lie ahead must solve serious and technical problems.

The Greek Press estimated to-day that Greece will become the 10th member of the EEC in 1980. The newspapers gave front page coverage to the news that Greece has been accepted as a member of the Community without political conditions.

Political observers here to-day said the Ministers of the Nine Centre, the main had obviously seen the issue in party, are in favour,

involved in Greece's application for membership, he stressed that a negative by the EEC Minister expressed his profound satisfaction at yesterday's decision by the EEC Committee of Ministers to have forced Mr. Karamanlis to revise his former Greece wait for a preparatory period before it could join the Community.

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## Norway recovery ho

BY FAY GJESTER

OSLO

AN ECONOMIC upturn in Western Europe is likely during the first half of this year, and if it develops as expected, production growth in Norway will be more or less normal, and way's recession could domestic unemployment is unlikely to become much more serious than at present. This is the view of the Norwegian Central Bureau of Statistics in entering for the h

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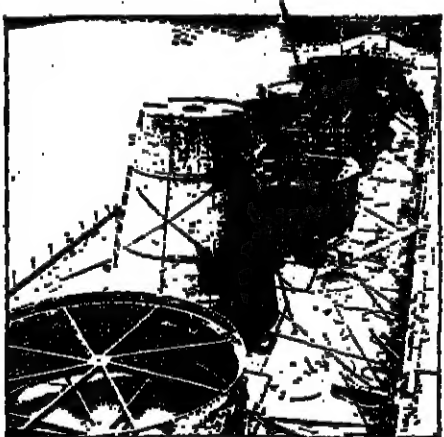
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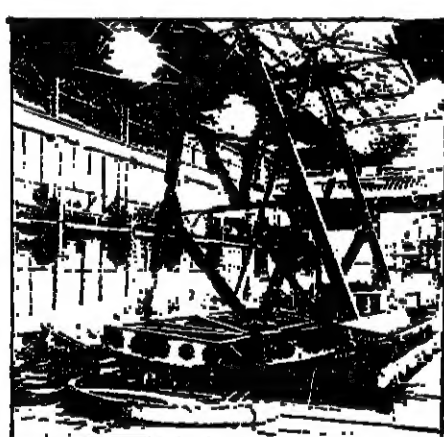
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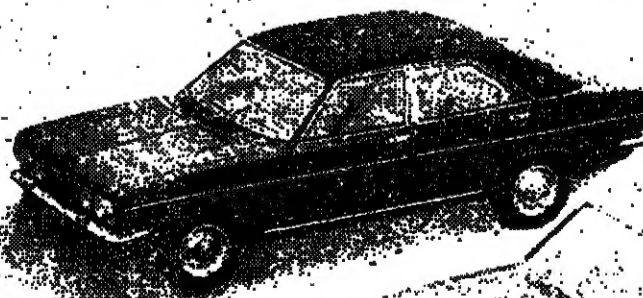
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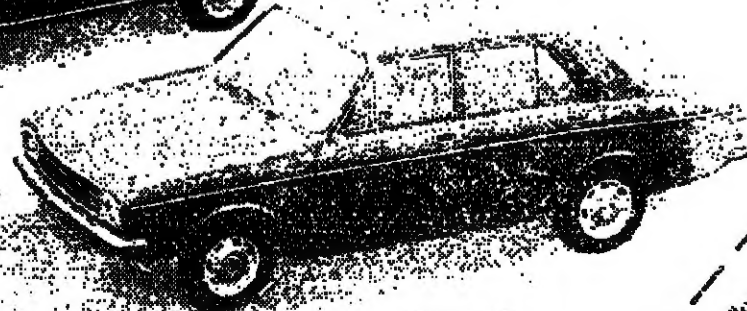


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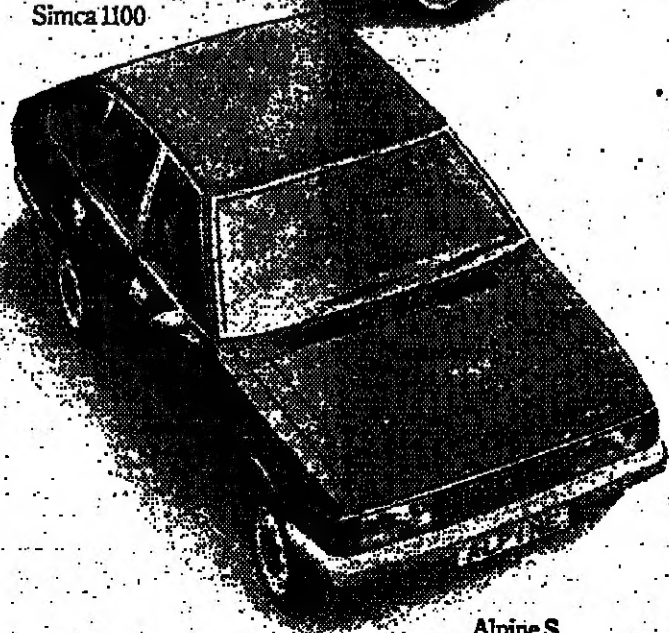
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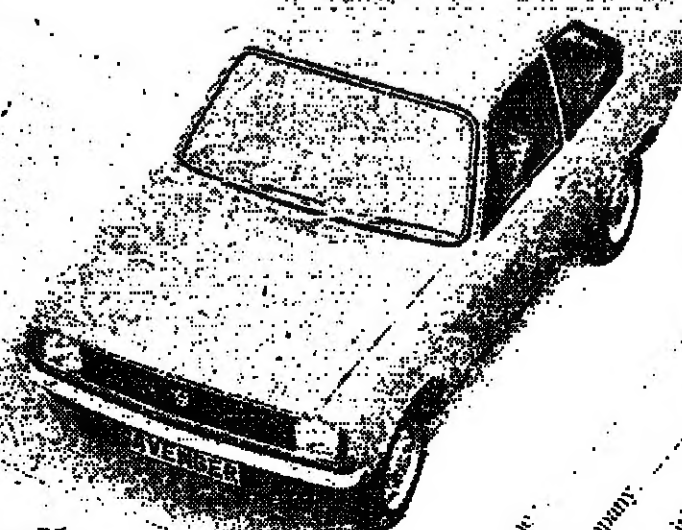
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## TEXTILES

### Halves the cost of dyeing

TEXTILE dyers and finishers in Britain have seen serious profits in the last few years, but they are likely to increase rather than diminish. The first is the cost of power, for the rise in the cost of fuel oil and other heating materials, has added greatly to their processing costs. Now there is a danger that water charges will rise to a level that could make textile water processing almost impossible within the framework of an advanced industrial economy. This is a predictable situation that can be shown by simple extrapolation of figures for fuel and water.

The only thing that is likely to save the industry, or at least offer a solution, is to find ways and means of saving power and reducing the amount of water consumed and discharged by the factories and dyehouses.

Normal dyeing of a textile material, whether it be simple loose fibre or almost finished fabric, requires immersion in a bath of water in which a dye-stuff has been dispersed. This is heated up and after a certain period the dyeing is completed, and the material is then extracted and finally dried.

To use 20 times more water than material being processed is common practice and with new systems this can be reduced to say 10:1 or, with the most advanced commercial systems, it may even be lowered to 5:1, but this is more frequently the exception than the rule.

A completely new approach to dyeing loose fibres or loose stock has been developed in Scotland by the Dawson International Group at Selkirk. This new system works on the astonishingly low ratio of 1:1. In other words it requires only the same weight of dye liquor as the weight of material being processed. This has immense implications for the continuous dyeing of all kinds of textiles although it is at present confined to loose stock.

Briefly the process may be explained as follows: The fibres are fed on to a feed system from a hopper which delivers a consistent amount of fibre into the dyeing range. This fibre advances up an incline at the top of which a concentrated dye liquor is sprayed on it through a series of jets. Any dye that would have dropped through the mass runs down the conveyor and is picked up by the stock advancing towards it.

Dye is then forced into a mass of fibres by means of a nip of the padding machine. This effectively squeezes the two elements together and forces close contact.

From impregnation, the wetted material is fed between two glass fibre conveyor screens positioned above and below the mass. This double conveyor condenses the mass and takes it into a heat-resistant tunnel. This tunnel runs the length of a chamber which is a radio-frequency (RF) heating

oven. Immediately it enters, the RF causes the water to reach boiling point and in a matter of seconds dyeing is completed. This will depend on the fibre being processed - mostly confined to wool at present.

RF heating has long been the dream of textile processors, but until now it has appeared to be too critical to lend itself to use in the industry on a large scale. With the new type oven it is possible to generate heat exactly when required and the input of power is restricted entirely to heating the water in the mass of fibres and the protective cover of the range is in fact cold. The temperature, because there is a compressed mass of material in the glass chamber, tends to rise slightly above the 100 degrees C and so accelerate dyeing. Utilisation of power in this new system is estimated at about 50 per cent, which compares with only 30 per cent when steam heating is used.

Treated material emerges from the chamber hot and is given a brief wash-off, although this may be unnecessary in certain instances, and then dried through a short oven which may be boosted by heat extracted from the RF chamber. Dawson claims about 20 per cent of the heat can be recycled in this way.

It is expected that a light drying that brings the fibre to slightly more than the normal

moisture regain level will allow it eventually to be fed direct to a carding machine which in turn may well feed direct to the spinning room.

The new dyeing system is being commercialised and Dawson International has concluded a licensing agreement to build plant with Platt Longlose (Dewsbury Road, Leeds LS11 5LP, 0532 708831).

The normal commercial line now in operation is able to process 200 kg/hour of wool, which after dyeing will give fibre that has considerably improved extension when compared with conventional dyed wool, this being a great advantage, particularly with knitters. Dyeing costs, excluding dyestuffs, with the new process are said to be reduced by half.

## ELECTRONICS

### Scans and digitises

A HIGH performance analogue to digital converter accepting 16 single-ended analogue data channels and suitable for mounting direct to a printed circuit board has been put on the market by Analogue of 68 High Street, Weybridge KT13 8BN (Weybridge 41551).

Costing under £200 the MP6812 is a completely integrated subsystem in which all the necessary control and timing logic has been incorporated, together with circuits that provide for three different analogue inputs, four ranges, three output codes and three different output formats. A stand-alone system, the MP6812 needs only a power supply for support.

It has been designed to interface directly to the byte-oriented bus structure of microprocessors accepting either 16 single-ended or 8 differential channels. Tri-

state output gates allow easy interfacing with four, six or 12 bit input-output buses by providing four, eight or 12-bit bytes at input signal conversion rates of 30kHz.

Equipped with serial as well as the parallel outputs, the unit also features flexible multiplex addressing, automatic sequential operation.

### Long life relay

LOADS of up to 20 amps can be switched, with adequate heat sinking, using a hybrid relay offered by AMF International, Whitby Road, Bristol BS2 4AZ (0272 775333).

These relays combine the advantages of solid state triac load switching with the high input to output isolation of a reed relay. They can withstand a very high inrush of current (up to 150 amps non-repetitive) and have a claimed lifetime of 10m. operations at rated load.

Without heat sink the units will switch up to seven amps, and they are rated for either 240 or 120 V operation at 50 or 60 Hz. Control voltages range from five to 48 V DC and the coil operating power is nominally 450 mW on the 240 V models.

Likely applications are in vending, photocopying, instrumentation, machine tool and process control systems. The switching arrangement is single pole single throw with normally open contacts. Dimensions are 67 x 39 x 42 mm.

### Records in the field

MEASURING only 130 x 214 x 170 mm and weighing 3 kg, a miniature chart recorder for field or laboratory work has been introduced by Philips Eindhoven which will provide 750 hours of continuous recording at the lowest speed.

There are four push-button input voltage ranges of 10 mV, 100 mV, 1 V and 10 V with 1 per cent accuracy and 0.5 per cent reproducibility. Span is fully variable from 10 mV to 100 V with built in calibration check signal. Z-fold chart paper is used with 120 mm width for easy handling and better resolution and there are two standard paper speeds of five and 20 mm/min. The chart length is 15 metres.

Power requirement of the machine is only 5 VA and it will run on most mains voltages. An optional battery pack/inverter can be mounted under the recorder, or operation can be from an external 12 V vehicle battery via the inverter. The machine is fully portable and easily and quickly changed and disassembled. It provides about 1500 m of record available support to existing and future microprocessor users. This agreement has been approved for the

## Doubled design power

AMI Microsystems has doubled the capacity of its custom design facility at Swindon, a move brought about by the recent increase in consumer product applications for customers in various parts of Europe.

Among the centre's 12 current projects are washing machine timers, domestic oven controllers and tuning control systems for radio and TV, all in MOS technology. Rather significantly, 11 of the projects are for companies in Italy, France, Germany and Spain.

AMI is reluctant to give names, but one of the systems is known to be a TV tuner panel for Philips. According to AMI there is lack of advanced technology investment cash that holds back U.K. appliance makers. AMI is at 108A, Commercial Road, Swindon, Wiltshire (0793 31345).

## COMPUTING

### Graphics sub-system

THE most advanced interactive graphics display processor yet announced by Digital Equipment Corporation, the VS 60, is designed as an add-on for any PDP 11 computer with Unibus architecture. Costing £22,500, the VS 60 has a 35 cm (13.8 inch) CRT, high resolution display processor unit. Applications are in computer aided design or rapid high intensity data display in fields ranging from electronic and mechanical engineering to architectural design.

In addition to features such as hardware stroke vector and character generators, hardware blink, eight intensity levels and four line types, the machine also offers super and subscript characters, hardware scaling, and the ability to drive two independent screens.

Supported under both RT-11 and RSX-11 operating systems with a Fortran graphics subroutine package, the VS 60 is upward compatible with the company's existing VT 11 work station. More from Digital House, King's Road, Reading, Berks. (0734 553558).

## Motorola's micro pact with CTL

THE UNDER an agreement between Motorola and CTL, the latter is making available support to existing and future microprocessor users. This agreement has been approved for the



developed in collaboration Motorola distributors, vices provided a total system responsibility for an early stage majority of the potential would be unable to provide microprocessors, and specialised as found in lished computer can available.

CTL will provide into the feasibility of microprocessors in applications: cost an estimate; and specifications as well as the application into a working a.

Hardware prototyping and hardware will also be provided with aids for development and checking.

Likely additions Motorola/CTL agree for CTL to provide maintenance and a Motorola's EXOR development tool microprocessor systems.

Computer Techno pen and display processor unit. Applications are in computer aided design or rapid high intensity data display in fields ranging from electronic and mechanical engineering to architectural design.

## POLLUTION

### Atom w storage

STORAGE of radio active materials at Hinkley Point, the function of a under construction.

CEGB has awarded work for the construction of a structure in seven. The new building of a basement, storage around floor, packing area, and comprising a lab building services. T will be used to storage and decay waste (packed in the existing Hinkley nuclear power station, which was sioned this year.

The material will be stored in the building under strictly safe conditions. CTL is making available support to existing and future microprocessor users. This agreement has been approved for the

## COMPONENTS

### Magnetrons for radars

A PAIR of L-band tunable magnetrons each able to deliver a minimum peak output power of 2.2 MW and together covering 1270 to 1370 MHz are being made available by Thomson-CSF Electronic Tubes.

Designated MCV 1352 and 1353 the tubes are well suited for air traffic control and other air search radars and in particular for moving target indication systems equipping RF pulses relatively free from distortion.

Since they are tunable and spares support problem is simplified. For example, in two tube frequency diversity systems, only one spare MCV 1352 is needed as long as both operating

frequencies fall in the 1270 to 1320 MHz band.

Both magnetrons are cooled by a simple water circulation system operating with ordinary tap water. More from Ringway House, Bell Road, Daneshill, Basingstoke, Hants, RG24 0QG (0256 29165).

### Easier to carry the battery

THREE injection moulded glass fibre components - lid with terminals moulded in, and two internal battery cables and a base unit with two moulded-in terminals - are used to make up

a new type of box for housing batteries.

The box will take 12-watt batteries up to 175 mm wide, 225 mm long and 230 mm high. Its base unit is secured, where required, by eight screws and permanently connected into the battery circuit and the battery is connected inside the box. When the box is placed on to the base the terminals mate and the battery is connected to its circuit. Normal engine starting, charging and lighting currents are handled.

Moulded handles at each end of the box enable removal from the base which automatically disconnects the supply. There is thus no need to connect or disconnect cables. The box is being marketed by Byethorn Containers, 8 Cedar Place, Gatehouse, Northwood, Middx. 1148 2RW (Northwood 27195/27033).



Final dressing operations at Head Wrightson (Steel Cast) Birmingham foundry on a rocking beam bearing support casting prior to despatch to Davy-Loewy Manufacturing Division, Sheffield, for machining. The casting, which weighs about nine tonnes, is one of 16 being supplied to Davy-Loewy for the Thames barrier contract. Altogether, Head Wrightson is to supply more than 600 tonnes of steel casting for this project. The rocking beam bearing houses the main shaft on which the rocking beam pivots. In turn the rocking beam applies the necessary movement to the barrier gate through the gate linkage.

## RESEARCH

### Low-cost holograms in schools

DEVELOPMENT work on holography, carried out at the Department of Mechanical Engineering at the University of Technology, Loughborough, has led to the production of low-cost holographic kits for use as education aids. For only £15, the Department is able to supply a simple outfit - including a sample hologram - that will enable a student to produce a three-dimensional image in the form of a holographic plate, for example, a whole range of molecular models.

The work at Loughborough is not being carried out on a commercial basis, but could lead to a whole new field opening up for publishers. If the demand was there, it is estimated that copies of a hologram could be mass-produced and sold for as little as £2 each.

JOHN CHITCOCK

## CONSTRUCTION

### Expansion joints with angle edges

UNTIL, RECENTLY, highway engineers have been unable to test the theory that chamfered-edge expansion joints in concrete might result in less edge breakage, since no commercially applicable method of forming such joints has been available.

In the U.S. a technique has been developed to cut these joints in one operation using a specially equipped diamond saw. Originated by Congar Cutting Products Inc., of Livonia, Michigan, the equipment was used to cut some 7,000 linear metres of jointing in Interstate 10, near Clare in Michigan.

The 65 hp concrete saw used for the project produced 12 mm wide 50 mm deep joints, with a 45 degree chamfer at each edge. To machine the chamfers two angled-face grinding wheels, electroplated with 36/40-US mesh De Beers EMB-S natural diamond, were used, one on

either side of the 300 mm diameter saw blade. Rotating at 2800 rpm, the saw blade cut a conventional groove to the required depth, at which the grinding wheels contacted the edges of the groove and machined a 45 degree chamfer.

Industrial Diamond Information Bureau, Charters, Sunninghill, Ascot, Berks, SL5 9PX (0990 23456).

## MINING

### Powerful hydraulic drill

LATEST Minotaur hydraulic drill from Victor Products (Walsend), P.O. Box Walsend, (0632) and Wear NE28 6PP, (0632) 828331) is capable of drilling holes to a depth exceeding 300 ft, but is said to be easily transported.

Features of the drill are: adequate thrust to ensure that the stand pipe or sealing tube can be easily inserted; roller guide and rod locking clamp can be swung to one side; drill head can be swung to either side or removed, giving ease of access to the drilled hole for the insertion or removal of the core barrel, etc.; retractable drive shaft to simplify rod engagement.

The equipment is in three sections, the carriage and drilling unit; the control unit (which will operate on mineral oils, flame-resistant emulsions or water glycol mixtures at pressures up to 2,000 psi and flows up to 15 gpm) giving fast advance of 15 ft/min, and retract 22 ft/min; and the power pack unit which comprises a 10 hp 3 phase flameproof squirrel cage motor, together with a 25 gallon fluid reservoir. The drill will take bits up to 75 mm diameter.

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

## Beatrice Foods Overseas Finance N.V.

9% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 18, 1976, under which the above-designated Debentures are issued, \$2,000,000 aggregate principal amount of such Debentures are being redeemed on the date hereinafter specified.

Debentures of the following distinctive numbers have been drawn for redemption on March 10, 1976 (hereinafter sometimes referred to as the "Redemption Date"):

80	748	1509	2571	3131	3691	4651	5251	7051	7851	8731	9401	10421	11141	11919	12697	13611	14365		
81	752	1513	2575	3135	3695	4655	5255	7055	7855	8735	9405	10425	11145	11923	12701	13615	14369		
82	756	1517	2579	3139	3699	4659	5259	7059	7859	8739	9409	10429	11149	11927	12705	13619	14373		
83	759	1520	2582	3142	3702	4662	5262	7062	7862	8742	9412	10432	11152	11930	12708	13622	14376		
84	763	1524	2586	3146	3706	4666	5266	7066	7866	8746	9416	10436	11156	11934	12712	13626	14380		
85	767	1528	2590	3150	3710	4670	5270	7070	7870	8750	9420	10440	11160	11938	12716	13630	14384		
86	771	1532	2594	3154	3714	4674	5274	7074	7874	8754	9424	10444	11164	11942	12720	13634	14388		
87	775	1536	2598	3158	3718	4678	5278	7078	7878	8758	9428	10448	11168	11946	12724	13638	14392		
88	779	1540	2602	3162	3722	4682	5282	7082	7882	8762	9432	10452	11172	11950	12728	13642	14396		
89	783	1544	2606	3166	3726	4686	5286	7086	7886	8766	9436	10456	11176	11954	12732	13646	14400		
90	787	1548	2610	3170	3730	4690	5290	7090	7890	8770	9440	10460	11180	11958	12736	13650	14404		
91	791	1552	2614	3174	3734	4694	5294	7094	7894	8774	9444	10464	11184	11962	12740	13654	14408		
92	795	1556	2618	3178	3738	4698	5298	7098	7898	8778	9448	10468	11188	11966	12744	13658	14412		
93	799	1560	2622	3182	3742	4702	5302	7102	7902	8782	9452	10472	11192	11970	12748	13662	14416		
94	803	1564	2626	3186	3746	4706	5306	7106	7906	8786	9456	10476	11196	11974	12752	13666	14420		
95	807	1568	2630	3190	3750	4710	5310	7110	7910	8790	9460	10480	11200	11978	12756	13670	14424		
96	811	1572	2634	3194	3754	4714	5314	7114	7914	8794	9464	10484	11204	11982	12760	13674	14428		
97	815	1576	2638	3198	3758	4718	5318	7118	7918	8798	9468	10488	11208	11986	12764	13678	14432		
98	819	1580	2642	3202	3762	4722	5322	7122	7922	8802	9472	10492	11212	11990	12768	13682	14436		
99	823	1584	2646	3206	3766	4726	5326	7126	7926	8806	9476	10496	11216	11994	12772	13686	14440		
100	827	1588	2650	3210	3770	4730	5330	7130	7930	8810	9480	10500	11220	11998	12776	13690	14444		
101	831	1592	2654	3214	3774	4734	5334	7134	7934	8814	9484	10504	11224	12002	12780	13694	14448		
102	835	1596	2658	3218	3778	4738	5338	7138	7938	8818	9488	10508	11228	12006	12784	13698	14452		
103	839	1600	2662	3222	3782	4742	5342	7142	7942	8822	9492	10512	11232	12010	12788	13702	14456		
104	843	1604	2666	3226	3786	4746	5346	7146	7946	8826	9496	10516	11236	12014	12792	13706	14460		
105	847	1608	2670	3230	3790	4750	5350	7150	7950	8830	9500	10520	11240	12018	12796	13710	14464		
106	851	1612	2674	3234	3794	4754	5354	7154	7954	8834	9504	10524	11244	12022	12800	13714	14468		
107	855	1616	2678	3238	3798	4758	5358	7158	7958	8838	9508	10528	11248	12026	12804	13718	14472		
108	859	1620	2682	3242	3802	4762	5362	7162	7962	8842	9512	10532	11252	12030	12808	13722	14476		
109	863	1624	2686	3246	3806	4766	5366	7166	7966	8846	9516	10536	11256	12034	12812	13726	14480		
110	867	1628	2690	3250	3810	4770	5370	7170	7970	8850	9520	10540	11260	12038	12816	13730	14484		
111	871	1632	2694	3254	3814	4774	5374	7174	7974	8854	9524	10544	11264	12042	12820	13734	14488		
112	875	1636	2698	3258	3818	4778	5378	7178	7978	8858	9528	10548	11268	12046	12824	13738	14492		
113	879	1640	2702	3262	3822	4782	5382	7182	7982	8862	9532	10552	11272	12050	12828	13742	14496		
114	883	1644	2706	3266	3826	4786	5386	7186	7986	8866	9536	10556	11276	12054	12832	13746	14500		
115	887	1648	2710	3270	3830	4790	5390	7190	7990	8870	9540	10560	11280	12058	12836	13750	14504		
116	891	1652	2714	3274	3834	4794	5394	7194	7994	8874	9544	10564	11284	12062	12840	13754	14508		
117	895	1656	2718	3278	3838	4798	5398	7198	7998	8878	9548	10568	11288	12066	12844	13758	14512		
118	899	1660	2722	3282	3842	4802	5402	7202	8002	8882	9552	10572	11292	12070	12848	13762	14516		
119	903	1664	2726	3286	3846	4806	5406	7206	8006	8886	9556	10576	11296	12074	12852	13766	14520		
120	907	1668	2730	3290	3850	4810	5410	7210	8010	8890	9560	10580	11300	12078	12856	13770	14524		
121	911	1672	2734	3294	3854	4814	5414	7214	8014	8894	9564	10584	11304	12082	12860	13774	14528		
122	915	1676	2738	3298	3858	4818	5418	7218	8018	8898	9568	10588	11308	12086	12864	13778	14532		
123	919	1680	2742	3302	3862	4822	5422	7222	8022	8902	9572	10592	11312	12090	12868	13782	14536		
124	923	1684	2746	3306	3866	4826	5426	7226	8026	8906	9576	10596	11316	12094	12872	13786	14540		
125	927	1688	2750	3310	3870	4830	5430	7230	8030	8910	9580	10600	11320	12098	12876	13790	14544		
126	931	1692	2754	3314	3874	4834	5434	7234	8034	8914	9584	10604	11324	12102	12880	13794	14548		
127	935	1696	2758	3318	3878	4838	5438	7238	8038	8918	9588	10608	11328	12106	12884	13798	14552		
128	939	1700	2762	3322	3882	4842	5442	7242	8042	8922	9592	10612	11332	12110	12888	13802	14556		
129	943	1704	2766	3326	3886	4846	5446	7246	8046	8926	9596	10616	11336	12114	12892	13806	14560		
130	947	1708	2770	3330	3890	4850	5450	7250	8050	8930	9600	10620	11340	12118	12896	13810	14564		
131	951	1712	2774	3334	3894	4854	5454	7254	8054	8934	9604	10624	11344	12122	12900	13814	14568		
132	955	1716	2778	3338	3898	4858	5458	7258	8058	8938	9608	10628	11348	12126	12904	13818	14572		
133	959	1720	2782	3342	3902	4862	5462	7262	8062	8942	9612	10632	11352	12130	12908	13822	14576		
134	963	1724	2786	3346	3906	4866	5466	7266	8066	8946	9616	10636	11356	12134	12912	13826	14580		
135	967	1728	2790	3350	3910	4870	5470	7270	8070	8950	9620	10640	11360	12138	12916	13830	14584		
136	971	1732	2794	3354	3914	4874	5474	7274	8074	8954	9624	10644	11364	12142	12920	13834	14588		
137	975	1736	2798	3358	3918	4878	5478	7278	8078	8958	9628	10648	11368	12146	12924	13838	14592		
138	979	1740	2802	3362	3922	4882	5482	7282	8082	8962	9632	10652	11372	12150	12928	13842	14596		
139	983	1744	2806	3366	3926	4886	5486	7286	8086	8966	9636	10656	11376	12154	12932	13846	14600		
140	987	1748	2810	3370	3930	4890	5490	7290	8090	8970	9640	10660	11380	12158	12936	13850	14604		
141	991	1752	2814	3374	3934	4894	5494	7294	8094	8974	9644	10664	11384	12162	12940	13854	14608		
142	995	1756	2818	3378	3938	4898	5498	7298	8098	8978	9648	10668	11388	12166	12944	13858	14612		
143	999	1760	2822	3382	3942	4902	5502	7302	8102	8982	9652	10672	11392	12170	12948	13862	14616		
144	1003	1764	2826	3386	3946	4906	5506	7306	8106	8986	9656	10676	11396	12174	12952	13866	14620		
145	1007	1768	2830	3390	3950	4910	5510	7310	8110	8990	9660	10680	11400	12178	12956	13870	14624		
146	1011	1772	2834	3394	3954	4914	5514	7314	8114	8994	9664	10684	11404	12182	12960	13874	14628		
147	1015	1776	2838	3398	3958	4918	5518	7318	8118	8998	9668	10688	11408	12186	12964	13878	14632		
148	1019	1780	2842	3402	3962	4922	5522	7322	8122	9002	9672	10692	11412	12190	12968	13882	14636		
149	1023	1784	2846	3406	3966	4926	5526	7326	8126	9006	9676	1069							



## LABOUR NEWS

## AUEW to give Stage Two its first big test

ROY ROGERS, LABOUR CORRESPONDENT

FIRST major test for the stage of the Government's policy, which has still to be decided, let alone agreed, with the AUEW will come at the May conference of the Amalgamated Union of Engineering and Shipbuilding (AUEW) when the 52-man wing on the 52-man wing section national conference will be voting on the restoration of collective bargaining when sent voluntary 25 a week expires on August 1.

The AUEW will also want the Government to put pressure on the TUC to put pressure on the Government to comply with the contract commitment to raise unemployment.

Left's chances of winning a motion have increased since the 52-man wing on the 52-man wing section national conference has wiped Right's slender majority it finely balanced.

pressure will be put on delegates who are not to be firmly committed by and it will not be a crucial vote are taken

## Dock Bill attacked by importers

OUR LABOUR STAFF

A CENT rise in import and "gross" over-manning docks will result in the 1 Dock Work Regulation Bill, the British Confederation of Importers, which represents more than 3,500 importers, has reported for MPs in the House in which it claims the Bill is a "recipe for port costs and for labour unrest through proposed five-mile dock

ne that Continental ports spring for a "substantial"

## Int Boards 'should be created by law'

BOARDS SHOULD BE created by law, the Confederation of Importers, which represents more than 3,500 importers, has reported for MPs in the House in which it claims the Bill is a "recipe for port costs and for labour unrest through proposed five-mile dock

ne that Continental ports spring for a "substantial"

## Move to Tayside



and give your business a breath of fresh air

here are two ways of looking at Tayside. On one hand it's an area that's absolutely industrial and commercial expansion. With acres of factory sites. And factories built. With office developments. And places to offices. With labour in plenty—skilled and skilled. And with a wide range of modern housing. All the educational and recreational as your employees could want. On the other hand, Tayside is naturally full. With lochs, mountains, forests, miles of coastline—and above all, clean air. Want to know more? Drop us a line, or send a ring. We'll let you have the facts by

Development Officer, Planning Dept., Tayside Regional Council, 100, Loan, Dundee. Phone: 0382 23281.

## Gas supplies threatened to-day in North West and Midlands

BY CHRISTIAN TYLER, LABOUR STAFF

GAS SUPPLIES in the North West of England and in the Midlands and Nottingham areas will be threatened to-day when 7,000 white-collar workers go on strike, their union claimed yesterday.

The one day walk-out by members of the National and Local Government Officers Association is in support of nearly 200 staff whom NALGO claims have been "locked out" in a dispute about productivity pay held up by the Government's 25 a week pay policy.

The union is refusing to co-operate in retraining of manual workers who concluded a productivity agreement with the Gas Corporation before the pay policy was introduced last July.

Yesterday 69 manual worker delegates of the General and Municipal Workers Union met in London and decided to instruct the 50,000 manual workers to continue working normally. This is despite the fact that NALGO's non-cooperation is holding up payments to the manual workers of up to 25 a week dating back to last April.

The GMWU members are to continue to press the Corporation to honour the training programme dates for back pay purposes even though the scheme has been considerably delayed in many areas.

Meanwhile the Corporation yesterday said it "deplored" the NALGO action. It hoped supervisors would take a "reasonable attitude" and prevent any interruption to supplies.

"This is not a lock-out. Those who have refused to carry out their normal duties have been sent home. Negotiations at national level have not broken down," a spokesman said.

NALGO, representing a majority of the 60,000 staff in the industry, claims the Corporation refuses to commit itself in principle to paying new rates for the white-collar productivity scheme when the pay policy next allows. The Corporation denied this was the position. NALGO had been made an offer and had

## Union hits Sunday trade

THE UNION of Shop, Distributive and Allied Workers has come out strongly against extension of Sunday Trading, and stresses that it "will fight any moves to change the law which prohibits most kinds of shopping on the Sabbath in England and Wales."

The union will also discourage any extension in Scotland, where it says the laws offer less protection to shop workers in this respect.

USDAW has traditionally campaigned to let shopworkers enjoy a five-day week staggered over six or five-and-a-half days' trading. It believes that a so-called "freedom" for any retailer to open on Sundays would create competitive conditions leading to general shop opening in whole areas of business — "much to the detriment of the family and

## Government bid to save rig-builders

By Our Labour Correspondent

THE GOVERNMENT is to set up a tripartite committee, chaired by Mr. John Smith, Energy Minister of State, in an urgent bid to prevent the break-up of key oil rig production teams at construction yards in the North-East and Scotland.

The TUC, the Scottish TUC and the employers, the U.K. Offshore Operators' Association, are being asked to nominate one or two people to sit on this body, which will have the task of finding work for the two threatened yards.

At Laing Offshore's yard at Harlepool the 1,300 workers are completing their only outstanding order, a platform for Burnham Oil Developments' Thistle Field. This is due for completion in July.

In Fife the 850 workers at Redpath Dorman Long North Sea's Methil yard are completing a platform for use by Shell-Eso in the Brent Field.

With no new platform orders envisaged until later in the summer, when there may still not be enough to go round all the construction sites, the proposed tripartite body appears to have an almost impossible task. This has led some in the industry to suggest that it might end as merely a "talking shop."

## Pilots gain £2,800 for flying Concorde

BY CHRISTIAN TYLER, LABOUR STAFF

ANOTHER eight British Airways pilots are to start training next week for Concorde flights. They are to be paid an extra £2,800 a year for the work, like the seven pilots already operating the London-Bahrain service.

The eight will include the first batch of "rank-and-file" pilots to be given Concorde work. The present seven are senior management and instructor pilots on special salaries ranging up to £20,000 a year.

The Government has given tacit permission for the new batch of Concorde pilots to get the £54-a-week supplement, since this continues an "understanding" reached with the British Airline Pilots' Association at the development flight stage of Concorde well before the pay limit was introduced.

This supplement will apparently be paid even though the pilots chosen are almost certainly already earning more than

£8,500 a year — the cut-off in the present pay policy beyond which no rises of any kind are supposed to be paid.

The pilots will be needed in the first instance for supersonic flights to Dulles Airport, outside Washington DC, to which British Airways hopes to start a service in May.

Despite optimistic forecasts by the airline, no agreement has been reached with the pilots' association on terms and conditions for flying Concorde — nor is one likely to be agreed before the shape of the pay policy's second stage is known, when there may be more latitude for high earners and "new work."

The pilots' general salary agreement expires at the end of next month. Only the most junior will be eligible for £5 a week pay rises then, again because of the pay policy restrictions on high earners.

## Airport workers accept

SOME 200 manual workers at Glasgow airport have accepted a lump sum payment from the local authority last year. British Airports Authority which allows a £6 pay settlement for 5,000 Authority employees throughout the country to go ahead.

The lump sum payment, which averages £300 for each of the 200 workers, enables the Authority to "buy out" higher differentials in pay — ranging from £8 to £20 a week — which the Glasgow workers retained when the airport was transferred from the local authority last year.

The Airports Authority had previously offered the full £6 5,000 Authority employees supplement allowed under Government policy to the bulk of its manual workers on condition that the Glasgow employees accepted its lump sum offer instead. Now that the offer has been accepted, the pay settlements in pay — ranging from £8 to £20 a week — which the Glas-

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## The Executive's World

The Commons debate on the motor industry is due to-day. John Barber, formerly No. 2 at British Leyland, argues that without the right products the investment will be wasted.

# Customers must come first

HAVE NO God-given right a car industry and, with the occupation over jobs, pay, locations, investment and competition, the simple fact is times forgotten that none these would exist without the tomer. In all the thousands words written about the ish car industry the word "customer" hardly appears at all. Forecast demand has been analysed but no consideration has been given to the customer requirements of the British industry can satisfy. The main reasons the industry's low profitability and consequent underinvestment have been not only obvious production problems but also the failure, with a few exceptions, to develop right products—right for customer and also reasonably profitable.



Mr. John Barber

he art of the game, now a crucial one, is not to attempt to cover the water-tight but to develop cars in the market which the best volume/cost/price relationship for the talents of particular company. To a car at a similar price, specification and quality to a petitive model produced in a higher volume, it means lower profit.

nothing different has to be done, perhaps a slightly more conservative car where the extra is more than the extra or a car so different in location, like the original Mini, that its unique command a better price. Unfortunately the revolutionary concept of the Mini, underrated, the initial price set too low and a big profit margin was missed.

though Britain is still a leader in sports cars and expensive saloons, these are a very small sector and a useful national industry is strength in the market. Roughly, these do into volume cars which and on economies of scale provide the maximum value money and specialist cars at lower volumes with refinement and high prices.

he recent report by the trial Policy Review Staff concluded that, to avoid serious competitive disadvantage, the minimum production capacity a single volume car model, 250,000 a year and above, reductions in cost, production rapidly diminished.

re are nevertheless still economies in manufacture, ever small, at higher levels also savings in unit costs of development, tooling, purchasing, marketing and administration.

se volume car manufacturers outside North America considerably in strength, five in a position to benefit from economies of scale. Datsun and Volkswagen (each capable of producing 2m. vehicles a year, high volume per model), GM and Ford (with high volume models outside America and the added strength of the U.S. parent company). The next three—Fiat, Renault and Peugeot—with each has an annual city of over 1.5m. and then, slightly smaller, BL at 1m. and Chrysler with 800,000 in France, 300,000 in U.K. and smaller plants here.

n years ago Ford U.S. a full integration of its plant business to achieve

economies of scale and a strength of management impossible with separate operations in Britain, Germany and other European countries. The establishment of a single Ford of Europe Ltd. has provided the volume and the resources to compete successfully with the highest volume producers and Ford operations in Britain, as part of it, benefit accordingly.

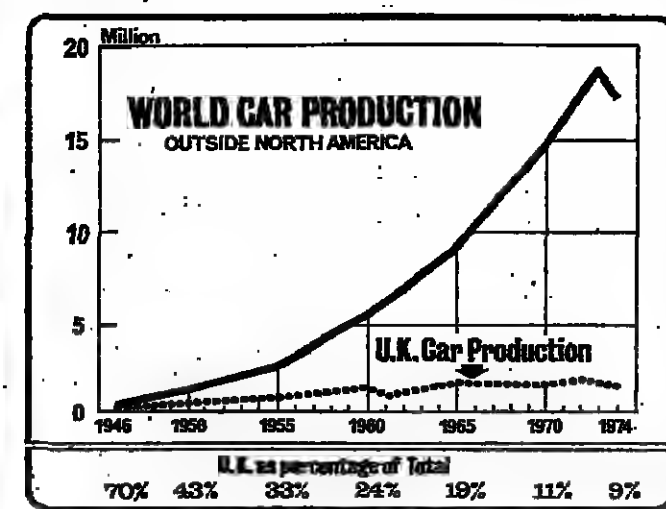
From the days of the separate British company under Sir Patrick Hennessey, Ford has had a good record of identifying its market and developing the right car. With a background of mass production expertise it has opted for value-for-money orthodox cars, rather than technical innovation and has anticipated customer requirements in this chosen area.

### Examples

Good examples of this approach were the modern Anglia introduced in 1959 and the original Cortina. By strictly limiting the number of basic models and the engines, transmissions, axles and other components used in them, maximum economies of scale in development, production and marketing have been achieved. Even when the Fiesta, small car, is in production, the Ford range will still consist of only four basic saloon models (Fiesta, Escort, Cortina, Granada) sharing a number of common components, plus a coupé (Capri) using many of the saloon components.

Vauxhall, surprisingly for a General Motors company, has had more downs than ups with its products but the move towards rationalisation with the well-engineered Opel range and GM's world car concept could change Vauxhall's prospects dramatically. The influence of the product-oriented Opel management and obviously have more potential than most previous Vauxhall models. Provided that there is sufficient product and production rationalisation with Opel and other GM operations in Europe, Vauxhall should now be in a position to recover.

Chrysler U.K., for reasons difficult to understand, has in the past chosen not only to compete directly with the higher volume models of much larger manufacturers, but also to fight them on price. It is hard to think of a more certain way to lose money. With three distinct model ranges (Imp, Avenger, Hunter) produced within a total capacity of 300,000 cars a year, the competitive disadvantage



vantage in the volume car market is obvious. Chrysler U.K. is too small to survive in the volume car business on its own and its future depends on the part it can play in the Chrysler organisation. The House of Commons Trade and Industry sub-committee was told recently that Chrysler U.S. had given assurances that Chrysler U.K. would be fully integrated into its worldwide organisation and that cross-directorships with Chrysler France would continue.

It is to be hoped that behind these generalisations the Government has been able to satisfy itself in detail on crucial aspects of this integration. For example, are the present six different models (Imp, Avenger, Hunter, Chrysler 180, Alpine, Simca 1100) and their production locations to be rationalised radically enough? Do the resulting volume/cost-price relationships look reasonable? Without this knowledge it is impossible to judge whether Chrysler U.K. can be sustained in the long run.

BL is not in the super-volume league and would be unwise to try to compete head-on with model-for-model, price-for-price, with manufacturers already twice the size. Its strength lies in superior product engineering (witness Range Rover, Jaguar and the original Mini) rather than superiority in high-volume production techniques—perhaps this reflects a national characteristic, are the British better craftsmen than mass producers?

BL decided late in 1973 that in the long run it could be competitive in the volume car business only by making itself a niche in the market where its Austin-Morris products were a cut above those of the cheaper highest volume producers. By offering the customer something a little better and slightly dearer there is more chance of making the cars inherently profitable for both the manufacturer and the dealer.

BL made a start in implementing this policy during 1974, a great deal of work was done to refine the Austin Allegro and to achieve greater quality and reliability in the Princess which was in its final stage of development. Scope was naturally limited as the basic designs of these two cars had already been completed but the Princess is proving successful and the much improved Austin is now sufficiently competitive to increase its sales in the U.K. and Europe.

In parallel with the attack on quality, the volume/cost-price relationships have to be improved by continuing with the planned reduction in models. BL inherited 15 saloon cars with basically different bodies. These had been reduced to nine by 1975 and approved plans before the Government took control provided for a final reduction to five bodies which with variations would give seven different model ranges for the customer. A total of four main bodies plus one unique lower volume Jaguar body is the highest number which the scale of BL's operations is able to sustain without running into the penalties of low volume per model and additional complexity.

The strategy for BL's volume cars would place them still recognisably below the specialist cars which, with trucks, constitute the company's greatest potential strength. The specialist car business is subtly different from the volume car and the departure of many of the Jaguar and Rover senior management leaves a gap in BL's experience. There is a danger that imperceptive minds will demand the consistency of complete rationalisation and one of BL's strengths will be submerged under the sheer weight of Austin-Morris influence. To ensure this does not happen specialist car vehicle engineering and marketing have to retain sufficient identity in the organisation.

In highly competitive conditions the customer has become more discerning and design, quality and reliability have to be right. The setting of the required standards for a company's products is one of top management's most important

## The point of no return

WITHIN THE past week, a group of offshore operators and a consortium of banks have signed a vital financing package for the North Sea's Claymore Field. The outcome of the deal is that development of the field will continue and Britain will take another step forward towards its energy self-sufficiency.

In this respect, the country can regard itself as fortunate, for if the operators were faced with exploiting the field in isolation, they would probably have given up the idea months ago. At today's costs, at present-day oil prices and with the current political uncertainties about such matters as depletion policies, Claymore is no more than a "marginal" find.

As a general rule of thumb it is reckoned that it is difficult to make an economic case for developing any field with less than 500m. barrels of recoverable reserves.

In Claymore's case, the offshore group, led by Occidental, has been talking of up to 400m. barrels of reserves; independent consultants have put the figure at 350m. barrels while the financing banks have been even more conservative, estimating no more than 250m. barrels.

The salvation of Claymore has come in the nearby Piper field, one of the most profitable finds so far in the U.K. sector of the North Sea and one which is also being developed by the same Occidental consortium. The sharing of pipeline and shore facilities with Piper has meant that the development costs of Claymore have been reduced to manageable levels. Furthermore, consortium members have been able to raise finance by using the assets of Piper as some measure of collateral.

Whether the importance of

Overall difficulties facing Occidental in the North Sea were clearly spotlighted by Granada TV's final Decision programme last night, even if some individual points were overlooked, says Ray Dafter, Energy Correspondent.

This link came across in last night's Granada Decision programme is questionable; I doubt whether it did. What did emerge clearly, however, is the difficulty of assessing complex geological structures and the size of reserves, even with the expertise demonstrated by the Occidental management.

The viewer could only sympathise with Mr. Bob MacAlister, vice-president of Occidental of Scotland and head of the U.S. group's exploration and development operations in the U.K., as he reviewed the reserves prospects following the seventh exploration well. "We still need 100m. barrels, more or less. Keep your fingers crossed for number eight," he extolled his colleagues.

But the eighth well failed to reveal any more oil. A decision now had to be taken on whether or not to proceed with development, even though the reserves position was far from satisfactory. But as the programme showed, the decision had virtually been made. The consortium could not afford not to proceed.

The four partners with an interest in Claymore had already committed \$90m. on the field. Spurred on by the success of the second exploration well—in the event the one which showed the best results—Occidental and its partners had already ordered a production platform.

But this apparent haste was understandable. Recent inflation rates have been pushing up

which undoubtedly kept the project alive. A higher rate of, say, 65 per cent. would probably have wiped Claymore off the North Sea oil map.

The omission of the PRT issue is to be regretted because Occidental's reaction to the Government announcement was filmed. Mr. Anthony Wedgwood Benn, Energy Secretary, was moved to comment at last week's preview of the programme that he felt influences behind the decision had been left on the cutting room floor. "Figures and forecasts will not make decisions for you," he said. "Companies and Governments are assessing factors which cannot be fed into the computer."

The fact that most of the voices heard were American is no fault of the Granada production team. It was Occidental which had the courage to open its doors to the film crew. Indeed, the reticence of the other consortium members to be involved—particularly the Thomson group—robbed the programme of the conclusion it needed. The meeting at which the partners committed themselves to full-scale development—surely a painful decision to some of those involved—was barred from the discreet camera.

Nevertheless, Roger Graef, producer and director of the Decision series, again laid bare some of the essential elements in decision-making, however methodical, unemotional and unspectacular they might have been. He does not pretend to have shown the whole of the truth, merely part of it. But if, in doing so, he managed to convey to the public at large even a small fraction of the way management decisions are taken, Graef will have provided a valuable service.



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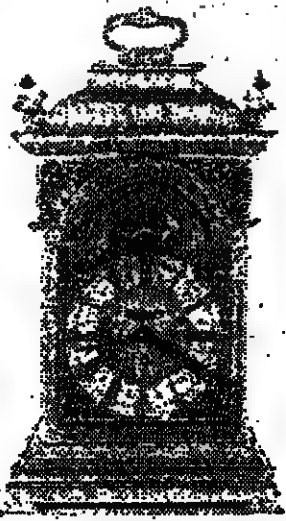
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WEDNESDAY, FEBRUARY 11, 1976

## Still no rush for credit

THE BANKING figures for the period to mid-January cover an unusually long span of six weeks and one in which the level of advances is affected not only by the debiting of half-yearly charges but by a sizeable net transfer of funds from taxpayers to the Exchequer. The squeeze on bank liquidity was expected to be particularly tight during this period, partly because of the very success with which the Bank of England had, until recently, been selling large amounts of gilt-edged stock to the public, and it was for this reason that a temporary return to 1 per cent. of special deposits was made.

The figures for the London clearing banks suggest that without this special help the ratio of reserve assets to eligible liabilities would have been down on make-up day to only 13.2 per cent.—against the permitted minimum of 12.5 per cent.—and that three banks would have been either down to or very close to the permitted minimum, even before the squeeze reached its tightest. In that sense, this exercise in the flexible use of special deposits can be counted as having achieved its aim. On the other hand, the banks seem to have had little difficulty yesterday in paying back the special deposits used to tide them over this bad patch. The next make-up figure will show how much theoretical room they have to spare for expanding the credit base, but the demand for advances seems still to be far from buoyant.

### Seasonal trend

It is indeed difficult, as the banks point out, to estimate what the normal seasonal trend for this period should be at a time when the seasonal pattern of tax payments is itself in flux. Yet they conclude that on balance the seasonally-adjusted movement of bank advances was slightly down and that demand for credit is still "restrained". Since there is little sign yet of any major turnaround in industrial stockbuilding, even if the fall in production seems to have bottomed out, this is not altogether surprising. A great many firms, too, were busily engaged until recently in an attempt to reduce their net indebtedness to the banks, partly for prudential reasons, partly to save on the high cost of interest.

## The beginning of the dialogue

THE CONFERENCE on International Economic Cooperation (CIEC), which finally opens at official working level in Paris to-day, has taken such a long time to get started that the circumstances which originally brought it about have changed. It is also, despite all the preparations, a journey into the unknown.

### Panic

The idea goes back to the aftermath of the Yom Kippur war in October 1973, to the oil embargo and the quadrupling of oil prices. It was widely believed at that time that the developed world faced a crisis of enormous proportions: there was the prospect of petrodollar surpluses so large that the banking system would be unable to cope, and fears that other developing countries would imitate the oil weapon in a demonstration of producer power. It was the industrialised countries which feared a confrontation with the third world rather than the other way round.

In retrospect, those reactions can be seen as panic. Far from accumulating steadily increasing surpluses, many of the oil producers have shown a remarkable capacity to raise their imports of goods and services. Some have already gone into deficit. It has proved impossible to form a producers' cartel for any other commodity, partly because the sources are so various and partly because most commodities are to be found in at least as great a quantity in the developed countries themselves. At the same time, most commodity prices have steadily dropped to the point where some producer states are in severe commodity difficulties. It is now the poor rather than the rich who have most to fear from confrontation.

This does not mean that the CIEC has lost its point, but it does mean that the priorities can be seen more clearly. The first is to help the poorest countries who have no oil, few exportable resources and who have themselves been the principal sufferers from the rise in oil prices and the accompanying recession. It is perfectly true that the oil producers have recently emerged alongside the developed countries as a source of aid, but they have so far refused to treat the problems of the least developed or fourth world as a priority, if necessary on a separate basis from other long term aims.

### Privacy

The second and related priority is agriculture. It may be said that this is being dealt with in other fora, but with the exception of energy—that objection also applies to every other subject likely to be discussed by the CIEC. The fact is that if the third world were capable of feeding itself most of the problems on the CIEC agenda would cease to exist. For the most part, it is not a problem of missing technology, nor of a shortage of arable land, but of getting third world governments and their people to accept this simple point. The technology and the expertise can be gladly given. The Americans have made the point all along: it is up to the other industrialised countries to back it up.

The scale of Government help to industry is criticised in papers published yesterday by the Industry Department. Geoffrey Owen looks at new proposals for redirecting aid to research and development.

# The profit—and loss—accounts of State-aided technology

WITH the Concorde having just entered airline service, it may seem churlish to question whether the aircraft industry is worth having. Yet the Department of Industry yesterday provided a useful reminder of just how unprofitable the industry has been, at least as far as the taxpayer is concerned. The Department published a set of papers\* on industrial subsidies which includes the table reproduced here. It lists the 40 aircraft and aero-engine projects which were supported by Government "launching aid" between 1945 and 1974. The present-day equivalent of about £1.5bn. was paid out, of which less than £150m. has so far been recovered.

### Development stopped

The author of the paper from which the table is taken, Mr. N. K. Gardner, a senior economic adviser in the Department, points out that the term "launching aid" did not come into general use until the sixties and has not usually been applied to Concorde. But all the projects listed have the common feature that levies from public money for levies from sales had been provided for and that something less than 100 per cent. funding had been contemplated—even for Concorde—when they were started; grants and loans have not been included in the figures.

THE COST TO THE STATE OF CIVIL AIRCRAFT AND AERO ENGINE DEVELOPMENT					
(LAUNCHING AID ONLY, EXCLUDING LOANS AND GRANTS)					
AIRCRAFT		Govt. contrib. to		Govt. receipts to	
		31/3/74		31/3/74	
		Current prices	At 1974 input prices	Current prices	At 1974 input prices
(£ millions)					
Shedland	1945	2.25*	11.7	n.a.	n.a. (a)
Sandringham					
Soleair					
Tudor					
Air Horse					
Apollo	1948	1.25	6.5	n.a.	n.a. (a)
Brabazon	1948	6.45	32.8	n.a.	n.a. (a)
Hermes	1949	1.3*	6.4	n.a.	n.a. (a)
Comet 1-4	1956	10.25	38.0	4.1	12.2 (a)
Ambassador	1951	1.85	7.6	.15	.4 (a)
Princess	1951	9.1	47.1	n.a.	n.a. (a)
Viscount	1951	1.8	8.4	3.0	9.8 (a)
V-1000	1955	2.35*	7.8	n.a.	n.a. (a)
Twin Pioneer	1955	.05	.1	.05	.1 (a)
Britannia	1955	4.4	24.8	5.1	14.0 (a)
Rotodyne	1956	3.05	7.8	n.a.	n.a. (a)
Argosy	1961	.1	.2	.05	.1 (a)
Herald	1962	1.1	3.0	.05	.1 (a)
VC10	1963	10.25	27.1	1.05	2.1 (a)
Trident	1965	24.1	53.5	.75	1.6 (a)
BAC1-11	1965	19.05	45.3	3.3	6.1 (b)
Islander	1968	.05	.1	.05	.1 (b)
Jetstream	1968	1.2	2.4	.1	.2 (a)
A300B	1968	1.15	2.2	n.a.	n.a. (a)
HS146	1972	1.25	1.6	n.a.	n.a. (a)
Concorde	1968	233.8	406.8	3.15	5.8 (a)
		340.15	741.2	20.85	54.5
ENGINES					
Dart	1949	5.3	21.7	8.45	20.8 (a)
Protus	1950	19.45	72.2	3.5	9.2 (a)
Eland	1952	10.9	34.8	.05	.1 (a)
Tyne	1958	4.0	12.6	2.1	4.0 (a)
Orian	1959	4.75	14.9	n.a.	n.a. (a)
Avon	1958	8.5	26.7	6.95	17.1 (a)
Conway	1960	6.65*	15.9	5.85	13.9 (a)
Spey	1965	9.9	22.7	1.4	11.2 (a)
RS178	1967	1.3	2.8	.1	.1 (b)
Trent (RB263)	1968	2.5	5.1	.6	1.0 (a)
RB207	1968	2.0	3.8	.05	.1 (a)
MEH (for VFW614)	1973	6.6	8.6	n.a.	n.a. (b)
RB211	1971	146.7	124.4	6.25	10.4 (a)
Olympus 593 (for Concorde)	1968	178.1	297.0	n.a.	n.a. (b)
		406.65	764.2	40.5	87.4
TOTALS		744.8	1,505.4	61.35	141.9

The data shown in the second column is about the mid point of the development programme. (a) denotes a subjective judgment that the project in question was responsible for the contribution. (b) denotes projects from which appreciable further receipts may accrue. \* Provisional estimates.

Over the 1945-74 period as a whole the net subsidy amounts to over £1.3bn. What has it achieved? It is true that since 1945 there have been civil aerospace exports of about £4.5bn. But even Government officials have suggested that if the resources had been diverted to other sectors of manufacturing industry the foreign exchange earnings might have been almost as great—at no cost to the Exchequer. In practice, of course, the need for foreign exchange is part of a vague amalgam of arguments—including preservation of employment and technological "spin-off" on other industries—which have been used to justify the scale of resources devoted to it.

Mr. Gardner takes all these arguments into account (including "intangible benefits" relating to national morale and prestige) and many of them are not quantifiable. He accepts that the balance must be a matter of subjective judgment, but his conclusion is clear: "the net effect of aerospace launching aid has been a loss of national welfare."

The privileged position of aerospace is part of the national preoccupation, which has affected all post-war governments, with high technology. There is a perfectly respectable case for Government support of basic research; it is even possible to argue for financial subsidies to certain types of industrial research and development, par-

ticularly in industries whose structure and resources make it difficult for them to carry out the work on their own. What is less easy to defend is the scale of support given to commercial development, as opposed to exploratory research, and the concentration of that support in a few high-technology sectors. In another contribution to the Department of Industry papers Mr. K. Pavitt, of the University of Sussex, shows that in 1972/73 87 per cent. of the DTI's spending on civilian, industry-related research and development went on four sectors—aircraft, nuclear, space and computers. In aircraft, space and computers the bulk of the funds were for commercial development rather than for scientific research. Within the total, aircraft received by far the largest proportion.

One of the interests already campaigned in 1972, Mott has decided that he cannot afford to buy the spectacular four-storey penthouse being built for him on top of a new 87-storey skyscraper on the east side of Manhattan. He complains that the cost of the penthouse has risen from an original estimate of £1.5m. to £3.5m. and that it is still not completed—although it was supposed to be ready by late 1974.

The penthouse itself is a veritable Xanadu, with glassed-in swimming pool, wine cellar, sauna baths and solarium. Mott is a keen amateur gardener, and the design features multi-tiered gardens and terraces. The so-called petit salon is almost 50 ft. long and the total living space covers about 17,000 sq. ft.—all of it with stunning views over New York.

The developers of the building have not said so far what they plan to do now that Mott is not going to move in. But Mott, a bachelor heir to one of the founders of General Motors, also has problems of his own. His love of gardening is not shared by neighbours in his present apartment building, who are suing him on the grounds that he has created a hazard by overloading the roof with vegetation and livestock.

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"It's not that it is all that embarrassing in content," said a Unionist spokesman, "it's just that it was the only copy we had."

Observer

portion—over 50 per cent. in the U.K., compared with 16 per cent. in France, 8 per cent. in West Germany and 9 per cent. in the Netherlands.

The justification is sometimes said to be that the development of certain modern technologies is so expensive that the commercial capital market cannot mobilise the necessary funds. But it is at least possible that if commercial money is not available it is because entrepreneurs do not think that the technology, the market and/or the management is such that an adequate profit will be made. Thus Government money becomes either a substitute for industrial money or invested in second-best projects which become politically difficult to stop once they are started.

### Held to ransom

Mr. Pavitt argues that the attempt to secure technological independence in certain "strategic" sectors is often misguided for a country which controls no more than 10 per cent. of the world's scientific and technical resources. Certainly the risk that the country could be held to ransom by a Boeing or an IBM must be taken into account, but there are intermediate stages between complete dependence and complete autonomy. There is a case, he suggests, for supporting applied research and exploratory development designed to have the basic technology "on the shelf" for eventual use without going into full-scale development and production.

GEC, for example, has stopped full-scale development in some areas of electronic components and computers. Instead, the company maintains an in-house R and D capability so that it can follow external developments, evaluate alternative sources of supply and, if necessary, move into full-scale production should a profitable commercial opportunity re-emerge. A similar policy on a national level, treating investment in R and D as an insurance policy, would be cheaper and more realistic than going for full-scale commercial development.

A decision to commit very large sums to a risky line of development, whether for a country or a company, should be based on an assessment of where the comparative advantage lies. Yet the experience of the past 20 years suggests that the U.K. no longer has any comparative advantage in the high technology sectors. It does not have the technical or financial resources to keep up with the much higher level of spending in the U.S.; nor does it have any unique needs or opportunities which might justify such expenditure. Another contributor to the Department of Industry papers remarks on the one hand, concentrating on national effort precisely in areas where the U.S. will have much larger resources, is overwhelmingly strong for its position: West Germany and Japan, by contrast, paid more attention to the glamorous but still "immature" industries where there is a better positive competitive in world markets.

There are always emotional arguments about "opting out" of high tech (it has been described as a "last refuge of the enthusiastic nationalist"), but there is reason to suppose that a scaling-down of Government support to commercial development in the high tech industries would have a effect on the country's economic performance. Quite apart from the fact that many of these industries have been technical as commercial failures because their sponsors rushed into full-scale development without spending an exploratory work (hand), the money could be more fruitfully in other areas.

### Substantial reduction

The switch of emphasis from commercial development and away from high technology, as suggested by the Department of Industry, would lead to a substantial reduction in the amount of Government expenditure on R and D. It would also be a conscious decision to a certain technological goals which have been embedded in Government and which have done no industrial lobbies behind. But it is hard to challenge evidence that the pursued by successive Governments in high technology produced very little results. A reassessment of priorities is clearly required.

Department of Industry Economics of Industrial Policy HMSO £5.50.

## MEN AND MATTERS

### Pointed competition

John Curry, carrying British hopes for gold in the Winter Olympics, is at least doing so on British skates—and so, apparently, are all the other competitors in the figure and free skating events. All the blades are made by one of two firms—John Wilson and Marsden of Sheffield, and Mitchell and King of Slough. Each of these companies reckons to export around 95 per cent. of their blades.

John Wilson had a head start since the company was founded back in 1896 under the impetus of royal patronage for the pastime of skating. Charles II had learnt to skate during his period of exile in Holland, and when he returned to England his enthusiasm caught on. From that base the Wilson company enjoyed a 250 year monopoly—a period which included the manufacture of special pairs of skates for Queen Victoria and Prince Albert.

The monopoly came to an end after the second world war. The well-known Queen's Ice Rink was short of skates and John Staple, a patron of that rink, formed Mitchell and King to meet the demand.

Competition between the two companies is intense. John Wilson enjoys the advantage of tradition which frequently leads skating instructors to recommend its blades to pupils. Mitchell and King on the other hand has worked particularly hard on promotion, won a Queen's Award for Export Achievement in 1974, and now claims to be the largest manufacturer of specialised (ice skating) blades in the world.

There are bigger manufacturers in Canada and Japan, but the two British companies claim



"Curry is skating a very topical programme!"

that they have the quality end of the market. Mind you each also claims that its own product is superior to that of its rival. Therefore last word to the independent John Curry: he is using John Wilson blades in his free skating, but has plumped for Mitchell and King blades for the compulsory figures. Stand off?

### Artless

The big sell-off of investments which has already taken place at Slater Walker Securities under Jimmy Goldsmith's plan for the new streamlined group is not being confined to stocks and shares. Jim Slater's sense of connoisseurship in his day at SWS led him at times beyond the stock market to more rarefied investment areas such as art, and sporting property. Now his successor, whose policy is to dispose of peripheral SWS interests, is a seller.

One of the interests already campaigned in 1972, Mott has decided that he cannot afford to buy the spectacular four-storey penthouse being built for him on top of a new 87-storey skyscraper on the east side of Manhattan. He complains that the cost of the penthouse has risen from an original estimate of £1.5m. to £3.5m. and that it is still not completed—although it was supposed to be ready by late 1974.

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"It's not that it is all that embarrassing in content," said a Unionist spokesman, "it's just that it was the only copy we had."

Potential homebuyers who have been trapped by soaring building costs may care to reflect on the plight of Mr. Stewart Mott, the 38-year-old American multi-millionaire who was one of the main backers of Senator George McGovern's presidential

campaign in 1972. Mott has decided that he cannot afford to buy the spectacular four-storey penthouse being built for him on top of a new 87-storey skyscraper on the east side of Manhattan. He complains that the cost of the penthouse has risen from an original estimate of £1.5m. to £3.5m. and that it is still not completed—although it was supposed to be ready by late 1974.

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## Want to reduce those staggering fuel bills? O'Gorman Structural Steel Panel Insulation cuts factory heat loss by up to 80%

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Tel. No. \_\_\_\_\_











# Guinness sees profits for-3 rise to last year

R. A. McNeill, joint managing director of Guinness, told yesterday's annual general meeting that the company's profits for the last year had risen to the level of the previous year. He said that the company's profits for the last year had risen to the level of the previous year. He said that the company's profits for the last year had risen to the level of the previous year. He said that the company's profits for the last year had risen to the level of the previous year.

Following the growth of its work in this sector, the new company has factories in London and at Dunstable, and is a major producer of cheques and other security printing. The company's profits for the last year had risen to the level of the previous year. He said that the company's profits for the last year had risen to the level of the previous year. He said that the company's profits for the last year had risen to the level of the previous year.

Telephone & General pays more. The company's profits for the last year had risen to the level of the previous year. He said that the company's profits for the last year had risen to the level of the previous year. He said that the company's profits for the last year had risen to the level of the previous year.

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# Blundell Permoglaze to improve

In his annual statement, the chairman of Blundell-Permoglaze Holdings, Mr. N. G. Barrett Smith, said that despite the cutback in the building industry last year, the company managed to increase its share of the available market. This trend should continue in the current year, he tells members, and improvements in both sales and profits are budgeted for. The chairman will continue further prospects at the AGM when four months trading will have been completed.

Cable Trust lifts earnings. GROUP NET earnings of Cable Trust rose from £2,977m. to £4,131m. for 1975 after tax of £2,731m. compared with £2,311m. Basic earnings per share rose from 1.25p to 1.50p. Dividends of 1.25p were paid on October 17 and 1.25p on January 19, 1976.

Life Assoc. of Scotland bonuses. The Life Association of Scotland, a member of the Dutch National Nederland Group, has announced increases in its bonus rates for the year 1975. The reversionary bonus for the new compound individual series is now 54 per cent of the sum assured and existing bonuses, compared with 28.75 per cent previously.

BOWRING LOAN STOCK. C. T. Bowring and Co. announces that the offer to exchange the whole of its outstanding 5 per cent Convertible Unsecured Loan Stock, 1981, for new 10 per cent Convertible Unsecured Loan Stock, 1987, has been accepted in respect of £34,200m. nominal of the existing stock, equivalent to 98.7 per cent of the total.

Banking figures. (as table 9 in Bank of England Quarterly Bulletin) ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS. 1-Banks. Jan. 21, 1976. Change on month.

# London Clearing Banks' balances at January 21, 1976

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Courts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES		Total outstanding		Change on month	
		£m.	£m.	£m.	£m.
LIABILITIES					
Notes		2,488	-115		
Deposits:					
U.K. banking system		22,851	+239		
Other U.K. residents		1,897	+53		
Overseas residents		1,540	-23		
Certificates of deposit		28,516	+143		
of which: Sight		10,521	+48		
Time (inc. CD's)		17,995	+95		
Foreign currency deposits:					
U.K. banking system		2,245	-5		
Other U.K. residents		563	-96		
Overseas residents		7,037	-29		
Certificates of deposit		1,055	-6		
Total deposits		11,190	-117		
Other liabilities		6,480	+336		
TOTAL LIABILITIES		46,186	+364		
ASSETS					
Notes					
Bank of England		1,008	-103		
Marketable securities:					
Discount market		1,851	+374		
U.K. banks		3,953	-505		
Certificates of deposit		1,322	+65		
Local authorities		381	+11		
Other		8,002	+134		

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES		TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GILLY	
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
LIABILITIES													
Total deposits		38,706	+28	10,804	+46	7,438	-19	7,854	+16	12,334	+24	1,153	-29
ASSETS													
Cash and balances with Bank of England		1,008	-103	290	-36	181	-25	212	-34	204	-3	20	-5
Marketable securities:													
U.K. banks and discount market		8,399	+8	1,858	-78	1,968	+6	1,465	-27	2,442	+102	288	+3
Other		6,182	-83	1,483	+23	1,348	+24	1,094	+24	1,090	-88	277	-19
Deposits with Bank of England		1,880	-376	577	+4	283	-137	413	-43	263	-181	13	-18
Special deposits with Bank of England		440	-287	127	-68	87	-40	88	-15	135	-68	13	-8
British Government stocks		1,842	+102	477	+16	488	+9	384	+35	392	+43	27	-1
Advances		26,876	+785	6,085	+281	3,207	+106	4,216	+133	6,470	+257	840	+8

TABLE 3. CREDIT CONTROL INFORMATION		TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GILLY	
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
LIABLE LIABILITIES (only)													
Eligible liabilities		19,812	+208	5,879	+81	2,844	-21	4,093	+36	5,295	+130	801	-29
Reserve assets		2,883	+115	911	+110	297	-21	553	-5	710	+27	81	-5
Reserve ratio (%)		14.2	+0.5	15.2	+1.8	14.0	-0.7	13.3	-0.3	13.7	+0.2	13.3	-0.1

## MIM HOLDINGS LIMITED

### SECOND PROGRESS REPORT 1975 - 76

### 24 Weeks ended December 21 1975.

#### EARNINGS

The unaudited net earnings for the first 24 weeks of 1975/76 were \$48,000 or 73.2 per cent of the \$65,800 for the corresponding period last year. This severe reduction in net earnings is mainly due to a fall in sales revenue combined with continuing high cost levels and increased mineral royalties.

An interim dividend of 1.5 cents per share (1974/75 3 cents per share) absorbing \$4.29 million has been declared for the 1975/76 year. This dividend will be paid on April 8 1976 in respect of all shares on the London register. The register of members will be closed from February 27 to March 4 1976 to allow completed transfers received by the company up to 5.00 p.m. on February 26 1976 to be registered before entitlement to the dividends are determined.

#### SALES

With the exception of lead, sales volumes of all products were below the level achieved in the comparable period of the preceding year. Prices of lead and copper were significantly lower but there was some improvement in silver prices. The net effect was a reduction in sales revenue of 21.1 per cent.

Lower copper sales were in response to unsatisfactory prices, but no major problems were encountered in disposing of copper offered for sale. Whilst lead sales were unchanged they were at a level well below capacity - also a consequence of market conditions. The very sharp fall in zinc sales (41.2 per cent) reflects in part a slowing down of shipments to the Australian market, in response to the poor demand for refined zinc. However, zinc sales in the corresponding period of the previous year were high because of the earlier interruptions to shipments due to the flooding of the Mount Isa/Townsville railway line. The drop in silver sales followed a build up of in process stocks which were depleted early in 1975 when receipts of crude lead at Northport were affected by the London dock strike.

#### PRODUCTION

A 4.4 per cent reduction in blister copper production during the 24 weeks compared to the corresponding period last year occurred along with a 19.8 per cent reduction in copper ore treated. The latter reduction was offset by treatment of higher grade ore and smelting of stockpiled copper concentrate.

Crude lead production increased from the corresponding period last year by 6.3 per cent, zinc concentrate by 0.3 per cent and silver in products by 8.6 per cent. These increases were due to the higher grade ore treated and increased metallurgical efficiency in the No. 2 concentrator.

#### RECENT EVENTS

In November 1975, Collinville Coal Company Pty. Ltd. was formed as a holding company to integrate the operations of Dacon Collieries Properties Pty. Limited and MIM's wholly owned Bowen Consolidated Coal Mines Limited. This merger has received Australian government approval.

#### OUTLOOK

Although there are indications of some improvement in industrial activity in several of the major industrial economies, forecasts as to the eventual extent of that improvement are guarded.

Metal stocks in the hands of producers and in commodity warehouses continue at high levels although some reduction has taken place in lead and zinc stocks, and the rate of increase in copper stocks has abated. Until economic conditions improve with a resultant increase in demand and prices, sales of products will continue to be below productive capacity.

	24 Weeks to 12/12/75	24 Weeks to 8/12/74	12 Weeks to 21/12/75	12 Weeks to 8/12/74
FINANCIAL'S000's				
Earnings before income tax and mineral royalty	22 550	63 162	10 560	20 517
Provision for income tax	8 107	23 937	3 711	10 872
Mineral royalty	1 088	4 324	2 489	2 489
Net earnings	8 345	34 891	4 350	17 145
Realised exchange gains included in above figures	79	195	NIL	(22)
Minority interest deducted in arriving at net earnings	227	2	NIL	NIL
Revenue - from sales	125 066	158 450	67 466	84 789
Cost of sales	3 314	6 676	3 743	2 886
Provision for depreciation	11 195	5 634	5 744	55 394
Interest paid	3 697	888	2 220	4 485
SALES				
Copper - Tonnes	66 507	71 038	32 703	37 382
At price - wirebar basis \$/tonne	937	1 081	926	1 004
Lead - Tonnes	62 077	61 470	35 045	37 209
At price \$/tonne	277	399	274	418
Zinc - Tonnes	36 262	59 978	21 797	30 006
At price \$/tonne	574	576	576	635
Silver - Kilograms	134 632	147 652	73 001	82 997
At price \$/kilogram	113	104	111	111
PRODUCTION				
Copper ore treated (tonnes)	2 018 276	2 516 780	940 618	1 329 046
At price \$/tonne	1 112 553	533 891	1 110 911	569 711
Total ore treated (tonnes)	3 311 828	3 827 591	1 494 569	1 898 757
Blister copper produced (tonnes)	70 540	73 820	34 930	35 720
Crude lead produced (tonnes)	59 930	56 380	30 150	27 000
Zinc concentrate produced (tonnes)	102 916	94 170	52 331	44 860
Silver in products (kilograms)	155 465	143 108	79 692	76 132

\*Provision for income tax and net earnings for the 24 weeks to 8/12/74 have been restated to reflect the decreased rate of income tax.

Issued and Listed Securities at end of Reporting Period

The Issued and Listed capital of the company is 285 894 094 (fifty cent) ordinary shares fully paid. Listed debentures total \$16 100 000. There has been no change to the issued and listed securities during the reporting period.

B.J. GARARD,  
ASSISTANT SECRETARY



# "Imps" recovers and turns in £106m.

FROM SALES £474.8m. ahead at 22.35m, the Imperial Group has expanded its profit before tax from £73.5m to £106.8m in the year ended October 31, 1975.

But the directors emphasise that 1975-76 profit of £106.8m is a major reversal of the steady increase shown for many years previously, so judged over the two-year period beginning November, 1973, the 1974-75 results—despite the high improvement—fell short of what was needed to counter the falling value of money.

The current year has opened satisfactorily compared with 1974 as a whole, and total volume of group business is being well maintained.

	1974-75	1975-76
Sales	£474.8	£581.4
Cost of sales	(251.3)	(251.3)
Gross profit	£223.5	£330.1
Operating expenses	(149.7)	(149.7)
Operating profit	£73.8	£180.4
Finance charges	(1.2)	(1.2)
Profit before tax	£72.6	£179.2
Taxation	(10.8)	(10.8)
Profit after tax	£61.8	£168.4
Dividends	£15.0	£15.0
Retained	£46.8	£153.4

Year-end borrowing showed a reduction of £12.5m, to £442.5m. The primary task was to keep the closest control over cash flow, and this has been achieved despite further severe inflation and heavy increases in duties. However, it has led to the lowering of stock levels, postponement or cancellation of some new projects, and a fall in new investment.

Before extraordinary items, net earnings are given as 5.5p, compared with 5.2p, per 25p share. The dividend is raised from

## Artagen net revenue higher: valuation cuts net worth

NET REVENUE from completed properties and investments of Artagen Properties rose £114,000 to £1.64m. in 1975.

Earnings are shown at 3.97p, against 3.78p, per 25p share, and the dividend is raised by 10p to 1.50p, from 1.40p, per share.

### ABBAY PANELS LTD.

The Annual General Meeting of Abbey Panels Limited was held on 10th February at the Grosvenor Hotel, Hayes, Middx. The following is the circulated statement of Mr. E. Loader, Chairman and Managing Director.

**REVIEW OF THE YEAR'S TRADING ACTIVITIES:** The financial year to 30th June, 1975 has been a difficult time at Abbey Panels Limited. There has been a recession in the country, as we all know, and we as a purely subcontracting company have felt the full industrial effects. The automobile industry has suffered a fall in demand, and we have not been able to sell as much as we would have liked. However, we have managed to survive and we are now in a position to look forward to a more prosperous future.

**DIVIDENDS:** The interim dividend of 1.3p per share (net) has already been paid, as you are already aware. The directors are recommending a final dividend of 1.3p per share (net). The effective gross dividend is in line with the previous year. My wife and I have decided again to waive our final dividend, which I am sure is a big help to the company in these trying times.

**OUTLOOK FOR 1976:** This year could be crucial, not only for the company but for the country in general. The country seems to have lost its way, and I am sure it will take it some time to get back on its feet. However, we are hard working and we are sure to survive. Salaries and wages are increasing, but we are sure to survive. The only way to survive is to be efficient and to be able to offer a better product than our competitors.

**APPRECIATION:** During these difficult times, your directors have had to look for co-operation and selfless energy from all our personnel. The response has been wonderful, and for this we are more than grateful.

### INTERIM STATEMENT

## MINING SUPPLIES LIMITED

### Continued growth at half-year

26 week period ended	25th Oct. 1975	26th Oct. 1974
Sales	£5,934,000	£3,848,000
Consolidated trading profit before taxation (Note 1)	£685,000	£555,000
Taxation (Note 2)	£367,000	£198,000
Consolidated profit after taxation	£318,000	£357,000

NOTES  
1) The consolidated trading profit before taxation is after charging depreciation of £152,000 (£115,000).  
2) The provision for taxation has been calculated at 52% on the trading profit for the period as adjusted for taxation purposes.

**Extracts from Chairman's Statement**  
"Turnover for the half-year shows continued growth as planned, with a further improvement in profits. Our subsidiaries continue to make a useful contribution and will continue to do so. The expansion of factory buildings and plant is well under way and will be in production during 1976. This expansion in capacity is required to phase into production new developments for the mining industry, with good prospects for exports. The capital cost involved will be approximately £700,000 which will be funded out of the company's own resources.

Your Directors are continuing for the time being the policy of making a Final Dividend only.

Your Directors recommend the capitalisation of £750,000 from reserves to make a bonus issue in the proportion of two Ordinary Shares for every one now held. This will bring the issued share capital more in line with the capital employed in the Group."

A. Snipe—Chairman.

### MINING NEWS

## Bougainville's lower profits and sales

BY KENNETH MARSTON, MINING EDITOR

IN LINE with other copper producers, the Rio Tinto-Zinc group's big Bougainville copper-gold mine in Papua New Guinea has suffered a fall in 1975 sales. They amount to Kina 46.2m. (£28.6m.) compared with K114.6m. in 1974. A final dividend is announced of 5 toea (3.1p) which makes 10 toea (6.2p) compared with the 1974 total of 27.5 Australian cents (17p).

It is stated that these earnings have been calculated on an historical accounting basis and if the figures had been adjusted for inflation real earnings would have been significantly lower. Sales of copper (72,000 tonnes) and silver (1,200 tonnes) were lower last year but there was little change in the average prices for the precious metals.

The average price of copper, however, dropped last year to \$536 per tonne from \$577 in 1974. Bougainville says that as a result of the continued low demand in Japan, copper suppliers were required to extend the cutback in shipments during 1975. The company, it is added, was able to sell the resulting surplus to other buyers but at the expense of higher charges.

However, this apparently did not prevent a fall in Bougainville's overall copper sales. The 1974 shipment report shows them at 129,237 tonnes for that year whereas the latest announcement discloses that copper sales in 1975 amounted to only 169,376 tonnes. On the Bougainville side it is stated that outstanding loans at end-1975 amounted to K126.5m. (£78.3m.).

As far as the current year is concerned, at least it appears that the company is currently in a position to meet its obligations. The pressure of mine costs, Bougainville should still be operating at a profit (copper was \$585 yesterday) which is more than can be said for many other producers.

And, like the rest of the field, the mine is looking to a recovery in the copper market before the year is out. The annual report is to be posted in March and the meeting is to be held in Panguna on April 6. Bougainville is 33.6 per cent. owned by Cominco Limited of Australia, which in turn is owned by the Canadian National Resources Corp. Bougainville shares were 109p yesterday.

### MOUNT NEWMAN STRIKE ENDS

The costly strike which started three weeks ago at the big Mount Newman iron ore operation in Western Australia is ending. It is reported from Perth that the strikers have voted to return to work to-morrow.

During the days of the dispute, which has been over wages and conditions, 23 ore carriers have been made idle outside the port and the company has lost production of 1.2m. tonnes of iron ore. Partners in Mount Newman are Broken Hill Pty. Ltd. and Anglo-American.

The prospective buyer is Swire Pacific of Hong Kong, with which P & O has been talking on the subject for some time.

A joint statement yesterday said it appeared possible that an agreement would shortly be reached for the purchase by Swire Pacific for cash of 60 per cent. of P & O's 31 per cent. shareholding in Cathay Holdings, the company which controls Cathay Pacific Airways, the Asian commercial airline.

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## Face-lift for Robe River

AN INJECTION of part of the big Australian Lang Hancock iron ore assets into the Robe River company is a new feature of the awaited \$22.4m. (£13.9m.) deal whereby the Hancock family is to acquire Alan Bond's 43.5 per cent. holding in Robe River.

A letter of intent which has now been signed between the parties puts the effective acquisition price at a higher than expected \$1.38 (88p) per Robe River share. Robe River has a 35 per cent. stake in the \$300m. iron ore operation of the same name in which America's Cleveland Cliffs and Japan's Mitsui are the major partners.

Robe River company's enlargement is to come from the now proposed sale to it of rights to one-third of Hancock's royalties from the Rio Tinto-Zinc group's Mount Tom Price and Paraburdoo iron ore mines together with the Hancock 25 per cent. stake in the Wittenoom iron ore joint venture (which includes the Almaden deposit) in which Texasgulf is a partner.

It is expected that it will take some time for the deal to be completed. Approval for instance, is needed from the other shareholders and debenture holders of Robe River plus the co-operation of the liquidator of Mineral Securities who sold the latter's Robe River holding to Bond on an instalment-paying basis.

Meanwhile dealings in Robe River shares remain suspended; they were last priced at \$1 in Sydney and 100p in London on Friday.

### PANAMA TO SIGN WITH TEXASGULF

It is reported from Panama City that before the end of this month the Panamanian Government will sign a contract with America's Texasgulf for a joint enterprise development of the huge Cerro Colorado copper deposit. This has been variously estimated to contain up to 120 million tonnes of ore grading a low 0.81 per cent. copper and annual production could be 130,000 tonnes of copper.

A Panama State-owned corporation would have an 80 per cent. stake in the operation and Texasgulf the remaining 20 per cent. It is understood that Panama would have the right to purchase Texasgulf's stake after a period of 20 years while the company would have a management contract running for 15 years.

### BIDS AND DEALS

## P & O nearing agreement on deal with Swire Pacific

P & O, the major shipping group, is nearing agreement on negotiations for a £2.7m. deal to sell off the bulk of its shareholding in Cathay Holdings, the company which controls Cathay Pacific Airways, the Asian commercial airline.

The prospective buyer is Swire Pacific of Hong Kong, with which P & O has been talking on the subject for some time.

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### APPOINTMENTS

## Sir George Bishop joins Ranks Hoy



Randolf Wolff's Cam holder, Noranda appointed Mr. Jevon consultant.

Mr. A. R. V. Aldwa, appointed managing director of BARCLAYS NATIONAL, succeeded Mr. F. R. Doherty as chairman of the latter part of the year. Mr. Aldwa is returning to London after part of the year spent in the Bank International 3 has spent his entire career with Barclays Bank, where he spent before appointment as a general manager of its subsidiary in South Africa.

Dr. M. D. Marak was the Board of METAL GROUP from March 1974 to January 1975, when he was appointed chairman of its subsidiary in South Africa.

Professor Lionel been appointed to Design at the OPEN.

Professor Christo has been appointed to the CENTRE FOR NUTRITIONAL STUDIES. Professor David Doherty has become chairman of the Monetary Fund.

De Beers Council states that Mr. J. L. Zio, who is general manager of the Consolidated Diamond Mining Co. of South West Africa, has been appointed to the position of director of the company.

Mr. David Stark has been appointed managing director of BESTOBELL SEALS, a member of the Bestobell group.

Mr. Bernard F. Combemale has been elected senior vice president of INA CORPORATION responsible for the company's international operations.

Mr. J. Dundas Hamilton, deputy chairman of the Stock Exchange, has been appointed a second deputy chairman of the COMMERCE AND INDUSTRY DEPARTMENT.

Mrs. Ronald Hynd has been appointed to the ARTS COUNCIL OF GREAT BRITAIN, for a term of three years until December 31, 1978. As Annelle Page, Mrs. Hynd was a ballerina of the Royal Ballet from 1955 to 1967. She has been a member of the Arts Council since 1968. She has been a member of the Arts Council since 1968. She has been a member of the Arts Council since 1968.

Mr. Philip Jevons has been elected deputy chairman of the RUDOLPH WOLFF GROUP. Mr. Jevons is a managing director of the group. He has been a member of the group since 1968. He has been a member of the group since 1968. He has been a member of the group since 1968.

## Management change EMI music interests

EMI has made the following re-organisation of management responsibilities covering group music interests to come into effect from March 1.

Mr. L. G. Wood, a member of the parent Board and chairman of EMI Records, remains in control of the group's music business throughout the world, outside North America and Japan.

Mr. Roy Featherstone, a deputy managing director of EMI Records, is to take up the post of director of group repertoire and promotion with special responsibilities for artists and repertoire.

Mr. J. D. Lerner has bought a further 2,500 Ordinary shares in Johnson and Barnes to make total holding 956,800 shares (49.8 per cent.).

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## APPOINTMENTS

NORDDEUTSCHE LANDESBANK  
INTERNATIONAL SA  
LUXEMBOURG

Requires

## Money and Foreign Exchange Dealer

Applicants should be between 25 to 30 years of age, be experienced and preferably speak German

Salary to be negotiated

We are a wholly owned subsidiary of Norddeutsche Landesbank Girozentrale, Hanover-Braunschweig

Please contact us either in writing by forwarding a full curriculum vitae or by telephoning to Mr. Heinz Kuehne

Applications will be treated in confidence  
NORDDEUTSCHE LANDESBANK  
INTERNATIONAL SA LUXEMBOURG  
29, Avenue Monterey  
Tel: 47 08 04/05

## Chief Executive

c £12-15,000 p.a.

The Company is a private textile business of medium size, has recently been re-structured and is located in the East Midlands. The need is for a Chief Executive who will be totally responsible for its future profitable development.

Candidates must therefore have an excellent, and demonstrable track record, be highly numerate and have had a strong marketing background. The salary is truly negotiable, without limit, and there will also be an option to acquire a significant equity stake. In addition, there are the usual fringe benefits.

Please write in complete confidence to John Anderson, as Advisor to the Company, at:

John Anderson &amp; Associates

Canterbury House, 85 Newhall Street, Birmingham B3 1LH.

## TRAINEE

## INVESTMENT ANALYST

We are a research-based firm of stockbrokers seeking a trainee analyst in the leisure sector to join our specialist institutional research team. The person we are looking for will be in the 20-35 age group and intelligent, a lively mind, personality and above all the ability to pick up quickly the workings of the industry and the companies in it, are of more importance than academic qualifications. Some knowledge of investment analytical techniques will be an advantage.

Salary will be subject to negotiation, but will not be unattractive.

Please write, giving brief career details, to:  
Stuart Wamsley,  
Hedderwick, Stirling Grumbar & Co.,  
1 Moorgate,  
London, E.C.2.

## COMMUNITY BACK-UP STAFF WTD.

COMMUNITY BACK-UP STAFF WTD.  
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COMMUNITY BACK-UP STAFF WTD.

## LEGAL NOTICES

No. 00398 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division, Registrar General  
The Matter of B. & J. HILL TRANSPORT LTD and in the Matter of The Companies Act, 1968.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named company, by the High Court of Justice, was presented to the said Court on the 2nd day of February 1976, and that the said Petition is now pending in the said Court.

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## State 'should recognise its limits'—CBI chief

FINANCIAL TIMES REPORTER

THE GOVERNMENT should recognise the limits of its own competence and stop trying to run everything and legislate for everything, Sir Campbell Adamson, director general of the Confederation of British Industry, said last night.

In a speech to the Bradford and District Institute of Bankers he voiced this plea to the Government. "Instead of criticising industry and the banks, how about putting your own house in order? With the record as it is, what kind of can you make out for further nationalisation or greater detailed interference in the affairs of individual companies?"

The steady encroachment of Government into the private sector has had the most serious

implications not just for our economy but for the quality of our public life. The tendency of power to corrupt remains very strong."

## Strategy

Sir Campbell said that these should be the main features of new industrial strategy:

1—Public spending should be cut, "which means keeping the increase in money expenditure well below the rate of inflation."

He added: "Of course, this could mean some short term increase in unemployment and of course this is to be deplored. But if we do not tackle this problem of public expenditure now we are going to have worse and longer term problems ahead of us."

2—Industry needs to retain more of its own earnings. This means that the present form of price control must go. "It means that the Chancellor must and further ways of industry retaining more of its earnings, so that these can be used for working capital for the upturn and then for investment."

3—Inefficiency must be attacked on all levels. "We must find with the TUC ways to remove restrictive practices and restrain unit costs. We must improve managerial efficiency." This was the target which must be set by the Economic Development Committees in the sector studies they were about to undertake.

## MPs renew call to allow Laker Skytrain service

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PRESSURE on the Government to allow Mr. Freddie Laker to run his cheap-fare Skytrain service between the U.K. and the U.S. is being renewed by a group of MPs on the eve of publication of the Government's White Paper on Civil Aviation Policy.

Members from the three main parties, with Welsh and Scottish Nationalists, have signed a Commons motion urging the Government to allow Laker Airways to run the no-reservations Skytrain between Stansted Airport and Kennedy Airport, New York.

Although Mr. Laker originally was granted a U.K. licence to run the service, this was halted last year by Mr. Peter Shore, Secretary for Trade, who in his first major policy statement on civil aviation said there was no longer market justification for a

Skytrain type of operation. Since then, there have been extensive discussions between the Department of Trade, British Airways and the all-party group of MPs on the eve of publication of the Government's White Paper, which is expected to-day.

It is not known, however, whether Mr. Shore has changed his mind on the future of Skytrain, and the all-party group of MPs feels that the Laker efforts ought to be allowed to proceed.

Chief sponsor of the motion is Mr. Kenneth Warren, Conservative MP for Hastings, and the co-sponsors Mr. Eric Moonman (Labour, Basildon), Mr. Clement Freud (Lib., Isle of Ely), Mr. Donald Stewart (Soc. Nat., West Lothian) and Mr. Dafydd Iwan (Plaid Cymru, Caernarvon).

## Scheme for rural Wales development board

BY OUR CARDIFF CORRESPONDENT

A DEVELOPMENT Board for rural Wales to take over the functions of the Mid Wales Development Corporation and the Council for Small Industries in Rural Areas was proposed yesterday.

A consultative paper issued by Mr. John Morris, Secretary for Wales, suggests that the Board's activities should at first be confined to the county of Powys and the districts of Merionnydd and Ceredigion.

Responsibility for completing the development of new towns would be transferred to the Board, together with the development of any other new towns which may be designated.

It is proposed that the Board will consist of between 11 and 13 members, eventually responsible to, and financed by, the Welsh Assembly.

## Airlines safest for ten years

By Michael Donne, Aerospace Correspondent

SCHEDULED airlines significantly improved their world safety performance last year to the best level for more than ten years.

Preliminary figures prepared by the International Civil Aviation Organisation show that there were 16 fatal accidents to aircraft engaged in scheduled air transport last year compared with 27 in the previous year. They involved 467 passengers and crew, compared with 1,272 the previous year.

The fatality rate per 100m. passenger-miles flown, therefore, improved substantially to 0.13 from 0.38 in the preceding year.

Within the overall total, the safety performance of the 112 member-airlines of the International Air Transport Association also improved substantially, with seven fatal accidents to members' aircraft against ten in the previous year, with the number of passengers killed falling to 316 from 846.

The IATA members' fatality rate per 100m. passenger-miles flown on scheduled services was estimated at 0.11 for 1976 against 0.29 in the previous year.

It is stressed by ICAO and the IATA that these figures relate to deaths in scheduled airline operations. The number of accidents involving aircraft of all kinds is higher, but they occurred in non-scheduled services and did not involve passenger deaths.

## ENTERTAINMENT GUIDE

## OPERA &amp; BALLET

COVENT GARDEN, 101-122 (101).  
Tonight and Tuesday, 10.15. The Marriage of Figaro. The Duke of Edinburgh will be present. The opera will be sung in English. Seats available from 10.15. Tickets 10.15. Tickets 10.15.

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## ILEA plans to spend £43m. more

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

AN "educational revolution" of 11.5 per cent. gross is being called for by the Labour-controlled Inner London Education Authority to meet running costs for the 1976-77 financial year.

The ILEA budget is the major item in the central services provided under the Greater London Council, the costs of which are then added to the local rates levied by the Inner London boroughs.

The ILEA's new budget represents a gross increase from 34.5p to 38.5p in the pound, which should raise £43.9m. compared with £37.9m. in the current year. Of the extra £43m., however, about £27m. will be provided by the increased central government contribution towards educational spending.

So, as far as Inner London rates are concerned, the net effect of the educational budget will be a rise of about 1.5p in the pound, or 4.3 per cent.

Of the total, the ILEA says about £37m. is wanted to cover on-going activities and planned developments. In "funny money" this represents a small decrease from the current year's spending.

The decrease is made possible mainly by reduced rolls in the authority's primary schools, per-

mitting a national roll of about 500 in the primary force. But some savings will be used for other activities such as advice and help for schools being merged into ILEA's network of co-educational centres.

A further £11m., if a revised roll of about 1,000 in the year's budget, and £27m. to be set aside for continuing the network of co-

## Underestimate

The deficit on the year's budget is due to official underestimation. The estimated deficit was 15 per cent., but turned out to be 25 per cent.

Because of the official that the rate of inflation had during the year, the ILEA is allowing for 15 per cent. inflation in its 1976-77 budget.

On manpower, the authority is wanted to cover 35,556 to 35,525 in its on-going activities and planned developments. In "funny money" this represents a small decrease from the current year's spending.

The decrease is made possible mainly by reduced rolls in the authority's primary schools, per-

## Accused councillor played Santa: witness

ROBERT URWIN, one of the four former councillors accused of corruption, played "Santa Claus" for property developer Sydney McCullough, Tessaide Crown Court was told yesterday.

Urwin, 62, handed a bottle of whisky and a turkey at Christmas to another councillor at Chester-le-Street, County Durham, the court was told.

Schoolmaster James Simpson, a member of Chester-le-Street Urban District Council from 1965 to 1970, said: "Urwin delivered them in person to my home. He said they were on behalf of Mr. McCullough."

Mr. McCullough, 53, of Tyne-mouth, and Urwin both deny corruptly conspiring to gain planning favours between 1960 and 1973.

The charge is also against Andrew Cunningham, Chester-le-Street, Matth 72, of Washington at Docking, 65, of Birtley. Simpson said that he and Urwin were on the "first time it was my turn. It came as a surprise and welcome surprise. No indication was given that we were on behalf of Mr. McCullough."

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HOME CONTRACTS  
Taylor Woodrow win water works order

TAYLOR WOODROW CONSTRUCTION (NORTH) has won contracts worth £11m. from the Northumbrian Water Authority. The first is for construction of an intake and pumping station on the River Tees at Blackwell, near Darlington, Co. Durham. The second contract is for sewerage treatment works at Barmston, Lincolnshire.

R. N. DOUGLAS CONSTRUCTION, Stockton-on-Tees, has received a contract worth £1,000,000 from the Northumbrian Water Authority for an extension to existing treatment works at Barmston, Lincolnshire.

BRITISH STEEL CORPORATION's Station and Staveley group has been awarded an order worth £11m. for 18 miles of ductile iron pipes for the Latham Regional Council Water Supply Scheme. The pipes will be part of a trunk aqueduct from the River Tees to the Latham Regional Council Water Supply Scheme, which, under the Meert Scheme, will double the area's water resources.

TELETRON, Dublin, received a contract to supply telephone multiplex equipment for the North Sea from Marconi Communications Systems of Chislehurst.

GEC COMPUTERS has won a contract from Wembley Stadium for an eight-channel GEC 2050 reservation and box office accounting system. It will be used for events held in the Empire Pool, the theatre of the newly-built Conference Centre, and the events in the main stadium and the Squash Centre.

TELEPHONE RENTALS has received a contract worth more than £235,000 for the installation of a PABX system at Belfast City Hospital. This Crossbar PBX800 on the group's ICL 194 switchboard system, which forms part of a rebuilding project, also provides service about £7m., will provide for Dunlop divisions.

TELEPHONE RENTALS has received a contract worth more than £235,000 for the installation of a PABX system at Belfast City Hospital. This Crossbar PBX800 on the group's ICL 194 switchboard system, which forms part of a rebuilding project, also provides service about £7m., will provide for Dunlop divisions.

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EA plans  
\$m. more

# FINANCIAL TIMES REPORT

Wednesday February 11 1976

## IRONFOUNDING

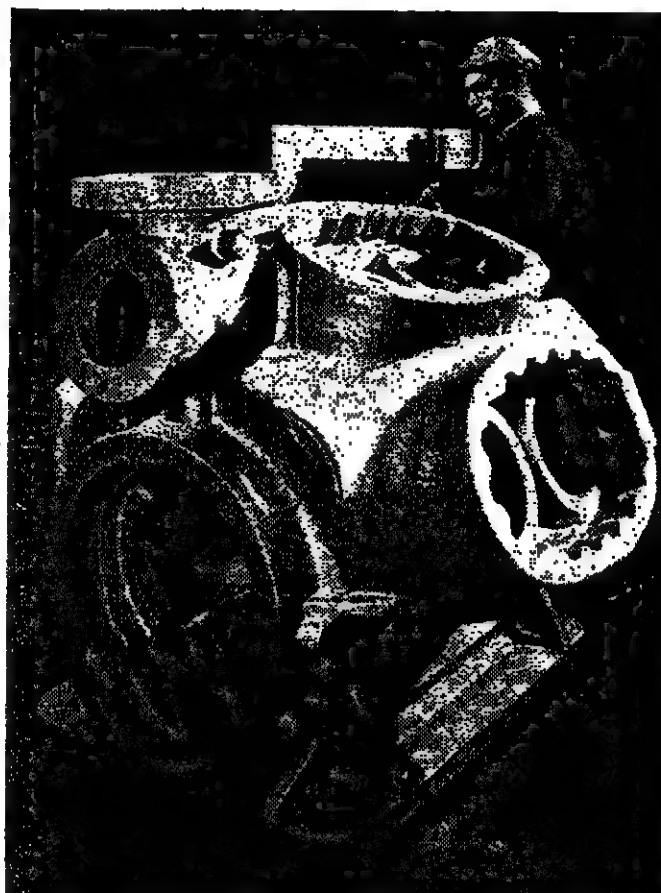
The recession has hit ironfounders harder than many other sectors of industry. Many small operators have gone out of business. However, Government aid is assisting with the industry's modernisation.

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all

er Cartwright

FOUNDRY industry is an example of what can happen when central government intervention is not backed by a strong industry. In the eight years to 1974 the industry lost 20 per cent. of its output and 30 per cent. of its capital. In the last year alone it lost 10 per cent. of its output and 20 per cent. of its capital. This is a disaster for an industry which has been a mainstay of the economy for over 100 years. The industry is now in a state of crisis and is facing a future which is uncertain. The industry is now in a state of crisis and is facing a future which is uncertain.



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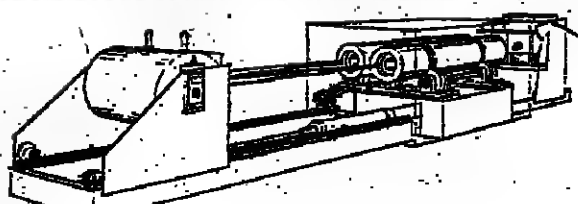
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to the Council of Ironfoundry and domestic appliances. There is scarcely any aspect of life that the industry does not touch. The vital nature of its products has been officially recognised. Castings have been identified by the National Economic Development Office, along with steel, electric motors, specialist machine tools and diesel engines, as being among the most likely to impose bottlenecks when general economic activity again becomes brisk.

To many outsiders the industry has seemed to veer from under-capacity in boom times to unhealthy over-capacity in a downturn. To a large extent this reflects its heavy involvement with the motor industry, its biggest single customer which is responsible for taking about a third of total production. Most major suppliers and many smaller ones have taken steps to diversify to provide a better spread and to whip up exports. Birmid Qualcast, for instance, achieved a further substantial expansion of direct exports in the last financial year by raising them 50 per cent. to £17.5m. Nevertheless, it has of course, been impossible to escape the consequences of the deepening recession in the motor industry during the year. The three sectors to survive best were tractors and agricultural equipment, still buoyant, diesel engines and trucks and buses, although recently trucks has struck a poor patch. Third quarter results of the main product areas show a continuing decline compared with the previous quarter and in most cases an even bigger fall compared with the corresponding quarter of 1974. For instance output of automobile castings is down by more than 20 per cent. compared with the corresponding quarter of last year and by 17 per cent. over the second quarter. The comparable figures for building and domestic products is 24 per cent. and nearly 7 per cent. and for engineering 19 per cent. and just over 10 per cent. All told, across the board production in the third quarter last year was down 19.5 per cent. in relation to the same quarter of 1974 and down by 16 per cent. over the second quarter. Writing ahead of the year-end results, it seems doubtful whether they will reach 3m. tonnes, a new low point.

### Programme

The levels of investment in plant, buildings and equipment in the ironfoundry industry has been running at around £20m. a year at 1974 prices. The Government's industrial programme is raising this very substantially, and it is worth repeating that the minimum cost limit of £0.5m. for projects eligible for the scheme has been considerably eased. As one of the front runners, with machine tools and textiles, the ironfoundry industry is promised £25m. of Government aid, predicting an investment and modernisation programme of some £300m. over the next five years. So far rather more than £14m. has been applied for, indicating capital projects totalling more than £60m. in the pipeline. Another £8.5m. worth of projects is under discussion, so that even at this early stage the whole of the amount initially allocated is well on the way to being used up.

In addition, and separate from this programme, is some £50m. set aside for British Leyland's seven foundries serving the car, bus and truck and special products divisions. This seems to favour BL disproportionately bearing in mind that it is being rescued by the State. How it is going to spend the money, over what period and where is not being disclosed, largely because under the new worker participation system it has first to be discussed, and approved by the joint councils. It can, however, be stated that the programme is likely to be started later rather than sooner because an absolute stop on capital spending has been imposed until industrial relations and productivity in BL improves. The investment programme will be looked at again in April. However, one important aspect of the British Leyland programme for foundry modernisation seems to have been cleared up. It is apparently not intended to make vertical integration further, and the company will remain a substantial customer of the iron-

### Customer

While the automobile industry relies heavily on the ironfoundry industry, it is by no means the only big customer. In engineering the list of customer industries extends from ships' engines through textile machinery to furniture

foundry industry outside its only the first stage, for they will almost certainly be

While the industry is not getting as generous treatment as British Leyland, it is thankful for whatever government aid comes its way, for it faced an impossible task on its own of both modernising and of meeting tougher anti-pollution regulations, which do not come directly within the scope of Government assistance. These will cost the industry a further £60m. or so in the next five years for a completely non-productive programme, one which is likely to absorb some 10-15 per cent. of capital cost in annual maintenance, it is estimated. The only way, it seems, that aid may be attracted to upgrading environmental equipment and controls is if they form an inseparable part of a complete scheme of modernisation. And even though the environmental regulations are not as strict as some others to be found elsewhere in the world, they will take an appreciably higher proportion of energy. Cleaning up the air outside and inside a foundry and otherwise improving the working environment could take up to 25 per cent. of the total electrical energy bill, it has been computed. Also to be taken into consideration are the new safety and health regulations. While the reorganised Factory Inspectorate is using its greater powers with understanding, and prohibiting orders are used only as a last resort, there remains a lot of work to do in this field before all foundries comply.

Nor should management be lulled into any false sense of security. The regulations herald changes that are going to be more than a once-for-all situation. Meeting them will be

are to be avoided in the future.

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WHILE THE grey irons are by far the most commonly used forms of cast iron, there is a growing demand for irons with additional toughness and ductility. Obviously, this growth has been affected by the present economic situation, with stagnation followed by recession. Even before the current recession those sectors of industry that used iron castings had been doing less well than the engineering industry as a whole. Under these circumstances to indicate a trend accurately is difficult, and similar to assessing the performance of a man swimming against the tide.

The best illustration of the underlying trend is the output of these ductile and tough irons expressed as a proportion of total cast iron tonnage. Whereas it comprised 8.4 per cent. of the total in 1966, by 1974 this had risen to 18.2 per cent. The most recent figures available are

for the third quarter of 1975. While they show an expected drop in tonnage compared with the corresponding quarter of the previous year, they also indicate that this proportion is now 19.1 per cent. of total output. Two forms of cast iron offer improved ductility and toughness—the malleable irons and the spheroidal graphite (SG) irons. Malleable iron differs from SG iron in its history, structure, markets and many of its properties. The main growth in the use of malleable iron took place before the growth in SG iron production, which is a relatively new development. In analysing the recent commercial performance of these irons, it is helpful to remember the historical background of each.

Originating in the early part of the 18th century, malleable ironfoundry is a well established industry. The castings are subjected to a prolonged heat treatment—annealing—operation which transforms the structure and gives a ductile and machinable product. Since its early days, the process has been continuously developed. To-day's malleable iron industry is technologically advanced and includes many modern, well equipped foundries. By maintaining technical progress, the industry can now tackle jobs that were until recently considered to be outside its scope. Malleable iron castings are currently needed by many sectors of industry, but the largest user by far is the motor industry. In recent years, at least half the output of malleable iron castings has gone to manufacturers of cars and commercial vehicles, with a further 10 per cent. to makers of tractors. This market has, of course, fluctuated during the last ten years, and sustained growth occurred in previous

decades, which were good years for malleable iron. Output of malleable iron was 216,000 tonnes in 1966 and 207,000 tonnes in 1974. These figures show a slight drop in tonnage, but when they are expressed as a proportion of all ironfoundry they show a rise from 5.5 to 6.5 per cent. The period from 1966 was one in which SG iron came into widespread use. As the figures show, the growth of SG ironfoundry was not at the expense of malleable iron. Indeed, ironfounders from both sides of the industry agree that the two types of cast iron complement one another and are not competitive. Another point of interest is that the supply of malleable iron castings to the motor industry showed an upward trend between 1972 and 1974 despite a decline in vehicle production during this time. Malleable iron is still penetrating further into its existing markets, even

though some of these markets may be shrinking. In the one of the areas in which SG iron is currently in use, this sector of the iron foundry industry has resilience and latent growth potential. Although motor vehicles including crankshafts are an important part of production for this material, a small proportion of castings represent over half of the total. In a normal SG iron output, SG grey iron, of course, is present in the form of spheroidal graphite. The change to spheroidal graphite leads to increases in strength and ductility, so the SG irons are now a material competitive with steel. The research was followed by the necessary development work and the introduction of SG irons on to the market. The growth in output of these irons has been remarkable—104,000 tonnes in 1966 and 406,000 tonnes in 1973. Owing to the recession, the upward trend was reversed in 1974. However, informed sources within the industry believe that SG irons have yet to reach their full potential in the U.K.; they base this view on the situations in the U.S. and in Europe where SG irons are used more extensively than they are here.

Both malleable and SG ironfounders have been in exporting their iron. The raw state. A cast of the ideal article to may contain flaws, it is apparent only when machined by the Consistency and quality control procedures essential if castings are to be used in a long distance foundry. It is a measure of efficiency and some of these ironfounders have not only achieved while sales abroad, to increase these a future.

Ray

## Investment plans

PLANT AND equipment makers for the ferrous foundry industry are studying the implications for them of the most massive capital investment programme, so far projected. The Council of Ironfoundry Associations has put the programme at £300m. over five years without taking into account what may be spent on steel foundries. Already about 80 formal applications have been received by the Department of Industry and more than £22m. of the Government's initial £25m. assistance has been approved or is being discussed.

The process is, perhaps inevitably, somewhat slow because projects have to be submitted in precise detail. Nonetheless, the fact that so far only £820,000 has been actually approved to three companies suggests a pretty long gestation period for the other schemes. The inference that can be drawn from this is that plant and equipment makers are not likely to come under the pressure that the scope of the Government's programme suggests. This may prove to be ill-founded, for one would judge that, as experience is gained, the rate of dealing

with schemes will be expedited. On the other hand, the fact that only about one in ten of the 750 or so ironfoundries have so far tried to take advantage of the scheme implies that two to three times the original £25m. will be needed if Mr. Denis Healey really is to carry out his promise to "help promote the modernisation and restructuring" of the ironfoundry industry (along with the other key industries selected for special treatment) in order that the economic upturn should not be hampered by—in this instance—a shortage of castings.

It seems probable that many of the 80 foundries who have made submissions will be among the smaller number that produce getting on for two-thirds of the industry's total output of some 3.2m. tonnes. With the experience still strongly etched in the memory of what happened in the American industry, when the tough application of strict anti-pollution controls put out of existence nearly 400 mainly smallish foundries, the Government is unlikely to exclude them just because the initial allocation has all been used up.

Indeed, the smaller, often privately owned foundries are vital to most sectors of the engineering industries, for they include the jobbing foundries turning out the big castings needed for machine tools, diesel engines, compressors, valves and other products that lie outside the mass manufacturing automotive and domestic appliance industries on which the industry chiefly relies. All in all, therefore, plant and equipment makers, who have had to adjust their highest ambitions to a lower rate of investment than is now being generated, should be encouraged not only to lay down more manufacturing capacity for existing products where this seems justified but also to strengthen their research and development departments. More efficient installations will be necessary if the industry is to reach the competitive levels it hopes to achieve, and some of the new legislation—suppression of fumes and noise are two examples—really demand new concepts and designs if real progress is to be made. It seems inevitable that hardware will be designed that will have the inherent advantages of complying with safety and environmental regulations rather than having attachments or being adapted from pre-regulation machinery. While some outstanding advances have been made in almost every branch of the industry, it nevertheless remains true that overall the rate of innovation in new plant and

equipment has been more piecemeal and less sustained than has been the case in some of the principal overseas competitors.

Of course, there are many convincing cases where the introduction of mechanisation or automation has been so rapid that more problems have been created than have been solved. Sound ironmaking practices still owe a great deal to skills imbibed or inherited from those who had to rely as much on their judgment as on machines. It is worth noting in passing that, despite the U.K.'s economic or financial standing in the world, people operating foundries in overseas countries do not hesitate to call on the resources of individual British companies to get them out of trouble. And the overseas services of the British Cast Iron Research Association are in continuous demand.

### Technical

Most of its energies are currently being devoted to technical improvements that help to solve the anti-pollution, noise and other regulations being visited on the industry, and judging by its past successes in introducing fundamental technical innovations, its work will no doubt emerge in practical terms in due course. In recent years it has made some significant contributions to the concepts and practices within the industry, such as spheroidal graphite iron and the divided blast cupola, the full potential of which has still to be reaped. This is the system by which air blast used to encourage combustion is divided about equally between two separate rows of inlets (tuyeres) which are correctly spaced apart. The system cuts coke consumption by up to 30 per cent. or the melting rate can be increased by up to 25 per cent.

British Oxygen has also developed a system for oxygen enrichment in cupola furnaces which has led to the increase in melting rates of 30 per cent. At the same time half the pig iron normally used can be replaced with steel scrap, while a 20 per cent. reduction can be effected in coke and limestone. The system also confers greater flexibility of cupola operation. The Hayes Shellcast cokeless cupola system, which has been licensed for manufacturing in a number of overseas countries, is another example of British inspired technology that has won acclaim on a world scale. It also has the added advantage of being very free from fumes, so that the emission of solids and grit is exceptionally small. While there is a full range of processes and techniques in

this country from which to choose, there is no guarantee that U.K. plant and equipment makers are going to benefit to the extent of the Government's financial programme. Indeed, it would be unusual if they did, for much depends on the disposition of a foundry and upon its range of products. In very instances individual items of equipment, whether from this country or abroad, are chosen for their compatibility and potential in terms of overall integration. But at least, the opportunities to tender are being created. It will be interesting to see, in two or three years time, where the new equipment has come from.

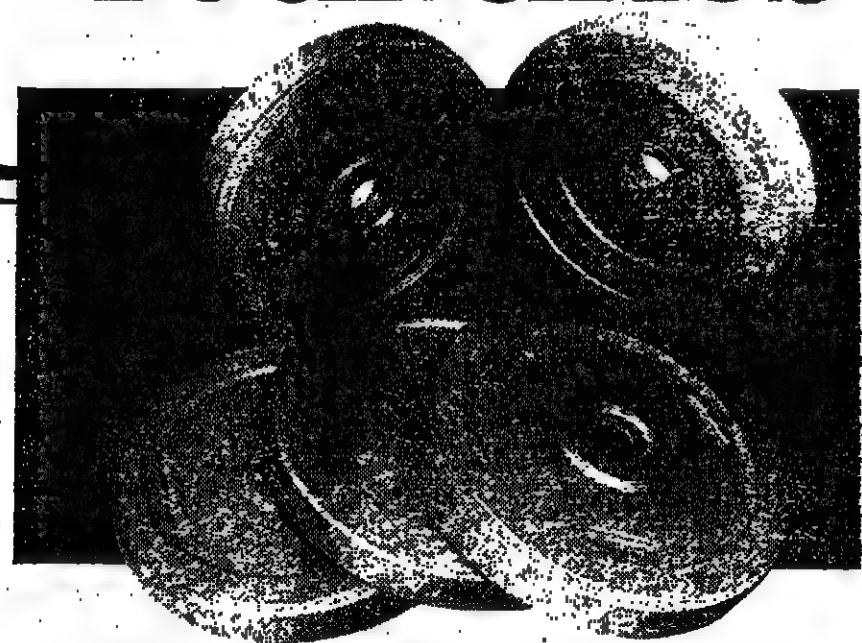
Peter Cartwright

### Crankshaft

One of the best known applications for SG iron—the crankshaft—is also an interesting example of a prospect for growth. This is an engine component which would be liable to distort if it were to be subjected to heat treatment, owing to its complex shape. Not only can SG iron crankshafts be used without heat treatment, but they also have the necessary wear and fatigue resistance. Many of the engines produced by the British motor industry are now equipped with cast iron instead of forged steel crankshafts. Equally, there are many engines still in production which were designed before the advent of SG iron as a proven material, and consequently retain their

Ray

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## IRONFOUNDING III

## Training needs

In the past year there has been greater awareness of the importance of the iron industry to the national economy. This has been reflected in the formation of the Foundries EDC and the investment of £25m. of money for modernising the ferrous foundry industry. This capital investment is the best possible way of ensuring that the iron industry has to have the best labour force to be effective use of it.

On available from the Economic Development and Training Committee's reviews provides the following figures for identifying the needs. The table shows that in 1974 employment in the iron foundry industry was more than in the preceding year. The increase occurred during the period 1971-72, with an increase of 12 per cent. During the same period the industry was attracted back to those who left it, and he to compete with other industries, was unable to attract people in sufficient numbers to make up the losses. The industry is, in consequence, in a position where it is currently endeavouring to attract labour, partly by offering economic circum-

stances. In the period 1969-74 there was a significant increase in the number of operators and men. While total employment fell by only 9 per cent, the number of craftsmen

EMPLOYMENT			
	Iron No. (000's)	Iron Index 1969=100	All Man.
1969	95.6	100.0	100.0
1970	94.6	99.0	99.4
1971	90.5	94.7	95.7
1972	84.5	88.4	93.0
1973	85.7	89.7	93.5
1974	83.7	87.6	93.1

Sources: NEDO and Department of Employment.

fell by nearly 25 per cent. A more detailed analysis of the figures available from NEDO shows some fundamental changes in craft employment. The number of skilled moulders fell by 40 per cent. between 1969 and 1974 and patternmakers by 25 per cent, but the number of foundry maintenance craftsmen increased by 7 per cent during this period. By 1974 the structure of the labour force was as follows:

	per cent.
Staff	18.7
Craftsmen	15.6
Operators	64.3
Labourers	18.9

These manpower figures reflect one of the movements away from traditional methods of manufacture by the increasing use of mechanisation. However, the decline in the number of skilled moulders is not solely due to mechanisation, and the increasing use of other materials and new technologies, for example CO<sub>2</sub> sands and air setting sands, has been just as important for changing the job requirements of the industry. Those sections of the industry which have mechanised their foundries, for example those producing the motor industry, have virtually ceased employing skilled moulders for production purposes, but for most foundries

## Personnel

An expected consequence of the rapid loss of foundry craftsmen could have been a corresponding increase in technical personnel. However, between 1969 and 1974 the number of technologists and technicians fell by 11 per cent, and in 1974 they only accounted for 2 per cent of the labour force. The lack of technical personnel in companies is a constraint on the effectiveness of the industry's research organisations introducing new techniques into companies. In many instances it is the industry's suppliers who through their commercial promotion have been responsible for applying new technologies. Such a situation does not make the best possible use of research organisations such as the British Cast Iron Research Association.

In the area of management and supervision the FITC information on the age and number of years employed of these employees provides some useful indicators. Approximately 25 per cent of these employees are over 54 years of age, and 60 per cent had spent at least ten years working in the same company. This shows a pattern of the industry relying significantly on internal promotion from craft and technical occupations for filling these positions. While the changes in technology have enabled the industry to continue to function with fewer craftsmen and technicians, the long-term effect of not having sufficient people with the necessary skills and knowledge of founding, especially for supervisory functions, could present serious problems by the early 1980s. An option that is open to the industry is to recruit from other industries, and while this can be considered feasible for such specialised areas as research and financial control, in the production functions there is the need to know and understand the methods and practices generated from the experiences of a long-established industry. The consequences of the industry recruiting a significant proportion of its management and supervision from outside could have some traumatic effects. The alternative is that the industry will have to increase its efforts to recruit and train young people in craft and technical occupations.

Between 1969 and 1974 the figures produced by the FITC show that the intake of young craftsmen and technicians fell not only in numbers but also as a percentage of the people employed. Partly this was due to the recession of 1971-72 when

the industry cut back on recruitment. When the situation improved in 1973-74, the industry was unable to compete with other industries for recruiting the restricted number of young people due to the raising of the school leaving age. In spite of the difficult economic climate this year, the industry increased recruitment of young people to skilled occupations, taking advantage of the FITC's premium award training scheme, sponsored by the Training Services Agency, with the result that most training centres are full. However, there is the danger that next September there could be an enormous fall in recruitment, because many companies who have recruited just this year will not continue to do so. Since training is closely linked to further education, and local authority expenditure is under heavy pressure, the lack of recruits could see the disappearance of associated foundry further education courses from some colleges.

So far, the comments have concentrated on the industry's internal situation, and attention has not been given to two important pieces of recent legislation, the Health and Safety at Work Act and The Employment Protection Act. The iron foundry industry is one in which the factory inspectorate has shown a particular interest, and companies are currently ensuring that their safety policies and training practices are meeting the regulations and codes of practice of the Act. In addition many companies will not only have to bear the cost of installing new equipment but the additional cost of maintaining it as well.

By a Correspondent

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## New safety rules must be met

currently one new estimated that it is new running at about 35 per cent of total foundry costs and it will undoubtedly increase. It is not easy, especially for small foundries, to meet such expenses. Indeed it is reported that in the U.S., in the first two years of operation of strict pollution control, a large number of foundries closed down. It is true that some may have gone out of business anyway, for a variety of reasons, but it is certain that the cost of having suddenly to meet the new regulations proved too much for quite a lot of them. The position was serious enough to induce the U.S. Government to set up a small firm's disaster fund.

In Britain some help may be forthcoming from the Government-sponsored foundry modernisation scheme, though it is not yet clear how the money available will be allotted. Some fact emerge, however. An application for a modernisation grant would not be considered unless the design incorporated acceptable pollution-control equipment. And it seems certain that the addition of pollution-control equipment to existing plant, without any modernisation of production equipment, would not be eligible for a grant at all. So the foundry industry has to face the fact that it will be involved, over the next few years, in considerable additional capital and operating costs though to some extent it may receive financial assistance from Government funds.

### Pollution

The possible sources of pollution—and their potential for creating problems—vary from foundry to foundry but certain areas stand out. Mechanised moulding can cause noise; metal melting can be a source of fumes, dust and to some extent noise; mould knockout gives rise to fumes, dust and noise; fettling can make dust and is always very noisy. If there is an objectionable discharge of any kind from these areas into the foundry building it is in breach of the law relating to health and safety; if any escapes from the foundry building it is an environmental pollutant.

In practice things are not quite so simple, for if the law were absolute and demanded no pollution it would, in the present state of technology, be unworkable. So in many cases maximum limits are laid down. The maximum noise to which a man be subjected for a period of eight hours, for example, is 90 dB(A). If the noise level increases the time period is reduced. But there is no reason to suppose that this limit will remain unchanged. To state the obvious, the ideal way of controlling any kind of pollution is to stop making it. This is probably the

way in which long-term research will be directed. Indeed, there is quite an interest in some academic as well as industrial circles in this subject. A great deal—though by no means all—of noise is created by impact and there is a lot of this type of noise in a foundry. Much can be achieved if engineers design machines which stop banging things about.

Some solutions of this type are immediately available. Jolt-ram moulding, for example, is noisy, squeeze moulding and shell moulding are virtually silent. It is impracticable to make a sudden and complete change and in some cases it may be impossible at present. But an extension of quiet moulding processes is more than likely. Metal melting is a different problem. The traditional cupola, though effective and not particularly noisy, is very productive of fumes and dust. Electric induction melting, which is also very acceptable from a quality-control point of view, is in itself completely clean and quiet.

The most difficult area in a foundry is the fettling shop. Fettling—cleaning and dressing the castings after they have been extracted from the moulds—causes dust and a great deal of noise. Modern foundries shot blast castings as far as practicable and the dust is removed in this operation and ducted away for clean disposal. But chipping the flash and other surface imperfections off castings is an impact process and was noisy even when it was done by hand. It is now usually done by machine and is very noisy indeed, with the castings acting as sounding boards and aggravating the problem.

In the short time much help is being given by more accurate moulding methods which necessitate less dressing. Further help could come from a reduction in the amount of dressing which could result from co-operation between foundries and casting users. Some castings are dressed to a better finish than is really necessary for the application because, apparently, they always have been. Fundamental research may provide a silent method of fettling castings but there is no sign of anything significant at present.

There are other sources of pollution but altogether, the foundry industry will need to co-operate with users of castings, who will have to be more willing to accept products to different—not necessarily lower—standards. Exchange of information with plant and materials suppliers will become even more important. It is all going to be very expensive but the foundries which face up to the problem and act accordingly will be the ones which survive and prosper when trade improves.

Keith Gale

## Some awkward questions our competitors would like us to answer.

**Q** You've made a lot of claims about the relatively small amount of capital investment needed to re-equip a foundry with cupola plant. Do you have the figures to back up those claims?

**Q** The problems of wet, dirty or oily scrap are well-known to the foundry industry. Why should your fuel be able to cope with them any better than any other fuel?

**Q** Is foundry coke really the most efficient form of fuel?

**Q** The coal-mining industry isn't the most stable industry in this country. To put it bluntly, can you guarantee supplies?

## And the answers they didn't expect us to give in public.

**A** The facts are simple. To install a cold blast cupola costs about £5 per ton of annual melting capacity as against £15 for other melting systems. In these days when capital is scarce it's worth bearing these figures in mind.

**A** Coke-fired cupolas can accept a wider range of scrap than any other foundry melting plant. In fact, many other systems cannot accept oily, contaminated or wet scrap without costly treatment because of the dangers of explosion when charging. And of course, foundry coke plays an important function in the furnace that other fuels cannot do. During the melting process the metal and coke are in direct contact and the carbon provided by the coke contributes to the final composition of the molten metal.

**A** Certainly some other systems use energy more efficiently. But, only when they have a constant work load over an extended period to offset the possible maximum demand charges imposed with other fuels. With today's uncertain economic climate, it's very unlikely that anyone can guarantee such a steady supply of work.

**A** To answer bluntly, no industry connected with energy supply can ever be completely stable again. Looked at in this context, foundry coke is a safe form of energy. Because you can build reserves. Because Britain has enough coal for foundry coke-making to last far into the future and most importantly because, by agreement with the Council of Iron Foundry Associations, adequate stocks of foundry coke are maintained at the ovens, so foundry coke represents "energy stock".

Additionally, National Smokeless Fuels are pioneering new coke making techniques, thus guaranteeing the availability of good quality foundry coke when traditional coking coals are less readily available. If you have any questions you'd like answered about foundry coke, contact Mr. J. D. Hill, National Smokeless Fuels Ltd., Coal House, Lyon Road, Harrow, Middlesex HA1 2EX (Tel. 01-427 9000). Once you've heard the answers we think you'll agree, National Smokeless Fuels, by supplying the energy to produce 90% of all Britain's iron, is the hidden power behind Britain's industry.

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## STOCK EXCHANGE REPORT

# Imperial Group's results help modest rally in equities

## Index up 3.5 at 403.3, after 397.2—Gilts well above worst

Account Dealing Dates  
Option  
First Declared Last Account  
Dealing Date  
Jan. 26 Feb. 5 Feb. 6 Feb. 17  
Feb. 19 Feb. 20 Feb. 20 Feb. 23  
Mar. 4 Mar. 5 Mar. 16  
New time "dealing" may take place from 9.30 a.m. two business days earlier.

Stock markets began to show signs of resilience late yesterday, after Monday's sharp setback. Further progress on the short-term interest rate front saw Gilts initially react afresh by up to 1 at the longer end before a recovery left final quotations only 1 lower on balance. The Government Securities index edged 0.17 more to 63.10.

Equities moved in a similar fashion, but this time the additional fill-up in the last half-hour or so of trading of good results from Imperial Group, up 3 at 27p, earlier losses of one or two pence in the leaders were replaced by gains of that amount by the close. The pattern of the day's movements was well illustrated by the FT 30-share index which, after touching its lowest at 10 a.m. with a fall at 2.4, recovered to show a small improvement of 0.4 at 3 p.m. before closing a net 3.5 higher at 403.3. Trading throughout was extremely slow, with the additional fill-up in the last half-hour or so of trading of good results from Imperial Group, up 3 at 27p, earlier losses of one or two pence in the leaders were replaced by gains of that amount by the close.

The improvement in the leaders came too late to affect second-line equities, where scattered small losses were the order of the day. Falls led rises by FT-quoted Industrials, while the FT-Actuaries All-Share index edged 0.3 per cent. to 168.28.

### Gilts rally late

Latest economic pointers and a bullish Press yesterday militated against a recovery in long-dated British Funds and fresh losses

extending to nearly a point were evident at one stage. Buyers were until the early afternoon when a report that a U.S. economic adviser saw a tendency for lower interest rates there over the next six to twelve months apparently whetted their appetite. A swift recovery then took place which left maximum falls of 1, and these were further reduced in the inter-office trading. The shorts meanwhile opened a shade lower with the emphasis on high-coupon stocks and then fluctuated before closing on a mixed note. The market was unaware of the late agency correction to the U.S. interest rates message; this said that the adviser was referring to mortgage rates only and not the general level of interest rates.

It was another quiet day in the investment currency market and the premium again closed unaltered at 131 per cent. Yesterday's S.E. conversion factor was 0.6008 (0.6000).

Monday's newcomer Eravivest S.A. remained inactive, the Depository shares opening and closing at the placing price of \$0.10.50.

**Hk. and Shanghai down**  
Steadier conditions returned to the Hong Kong and Shanghai markets after Monday's shake-out and by the close improvements of 3 were seen in both Midland, 285p, and National Westminster, 233p. Lloyd's closed unaltered at 245p, but Barclays remained friendlier at 313p. The preliminary results of Hongkong and Shanghai were considered disappointing and the shares touched 300p before closing 10 down on the day at 338p. Overseas issues, Discounts were irregular, with Seacombe Macaulay and Capenhurst 15 lower at 230p and Allen Harvey and Ross 5 better at 475p, both in thin markets. A Press report suggest-

ing that Hambros could be first in a long "rights" issue queue among Merchant banks left the shares 10 down at 205p. Wagon Finance shaded 3 to 56p in Hire Purchases, were UDT (interim) the next six to twelve months recovered from early softness to close unaltered at 27p.

Narrowed price movements were the order of the day in insurance after a small business. Breweries eased in slack trading. Bass Charrington shed 2 to 108p.

Electrical leaders moved erratically within fairly narrow limits in slack trading before closing barely changed on the day. Plessey managed an improvement of a penny at 77p, while GEC, 151p, finished at the previous night's closing levels. Elsewhere, news of legal moves by Prudential Assurance over last year's controversial deal between Thomas Poole and Gladstone China and Newman Industries brought a further sharp reaction in the latter to 48p, before rallying to end only a penny cheaper on the day at 50p.

Although Buildings saw a little more business than of late, movements were usually restricted to a penny or two. Tunnell "B" were notable for a fall of 1 to 192p, while International Timber, 108p, and Marchwell, 113p, shed 3 apiece to 50p and 52p respectively. The chairman's encouraging view of the company's prospects. R. Costain reacted to 208p.

Dull for much of the day, Stores staged a late rally and closed modestly better on balance. UDS slipped 1 up to 22p with the help of a bear squawk, while Marks and Spencer were 2 better at 106p and House of Fraser 3

harder at 89p. After recent weakness, "Gussies" "A" were marked down afresh to 20p in order to establish a trading level before recovering to close only 1 easier on the day at 213p.

Secondary issues were generally unchanged, though Formister shed 3 to 72p. Of the few bright spots, Dewhurst edged up 2 to 58p and Ladies Pride improved 3 to 59p.

Speculative demand following suggestions that Hawker were showing interest in the company lifted John Brown 5 to 33p, after 48p, while the former rallied from 48p to 50p. British Leyland, contrasted with a fall of 2 to 27p, while Lucas, 214p, and Dowry, 164p, lost a penny apiece. Automotive Products were lowered 2 to 47p.

A former general trend returned to Newspapers where United, 265p, and Daily Mail "A" 200p, both regained 4. Bristol Post was 2 better at 67p following maintenance of the interim dividend. Elsewhere, Lowe and Brydone steadied after recent weakness, rallying 3 to 28p.

**Artagen Props. retreat**  
Activity remained at a low ebb in the Property leaders. Land Securities, 185p, and MEPC, 85p, managed to recoup initial losses of 2 to final unaltered on balance. But English Property were still 2 down at 67p. Artagen Properties were a particularly dull spot among easier secondary issues, retreating 9 to 69p on disappointment accompanying the preliminary results. Berkeley Hamble relinquished 6 more to 132p for a two-day loss of 14, while London Bridge Securities receded 3 to 18p. Also 3 easier were Great Portland Estates, 250p, and Imry Property, 165p, while Hammerson "A" lost 5 to 370p and Briton Estates shed 2 to 86p.

The South African Sore declined 4 to 68p in reflection of the half-year profits contraction and interim dividend cut.

**De La Rue please**  
After modestly extending Monday's losses, miscellaneous Industrial leaders picked up in the late afternoon to finish with minor gains on the day. Recorded in Bechem, 344p, after 308p, and Reckitt and Colman, 242p, while Boots, 136p, after 132p, and Bowater, 182p, after 178p, both ended 2 better. Press comment lifted Turner and Newall to 55p, after 52p, while the latter picked up to close slightly harder at 48p, while Ultramar slipped 2 to 192p.

Increased half-yearly profits made no impression on Attock, which stayed at 54p. Among scattered movements in a colourless overseas section was a fall of 10 to 28p in Slebeas (U.K.).

Among Overseas Traders, Inchcape closed on a bright note at 390p, up 8, after 380p, while Carstar and Crossfield recovered 25 to 950p and Paterson Zochsman 20 to 460p.

The Board's firm rejection of a 180p for a two-day rise of 16, in

re featured with an advance of 10 to a 1975-76 peak of 233p, expressing satisfaction with the much better-than-expected third-quarter profits. The latter, however, closed similarly higher at 180p for a two-day rise of 16, in

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Secondary issues were generally unchanged, though Formister shed 3 to 72p. Of the few bright spots, Dewhurst edged up 2 to 58p and Ladies Pride improved 3 to 59p.

Speculative demand following suggestions that Hawker were showing interest in the company lifted John Brown 5 to 33p, after 48p, while the former rallied from 48p to 50p. British Leyland, contrasted with a fall of 2 to 27p, while Lucas, 214p, and Dowry, 164p, lost a penny apiece. Automotive Products were lowered 2 to 47p.

A former general trend returned to Newspapers where United, 265p, and Daily Mail "A" 200p, both regained 4. Bristol Post was 2 better at 67p following maintenance of the interim dividend. Elsewhere, Lowe and Brydone steadied after recent weakness, rallying 3 to 28p.

**Artagen Props. retreat**  
Activity remained at a low ebb in the Property leaders. Land Securities, 185p, and MEPC, 85p, managed to recoup initial losses of 2 to final unaltered on balance. But English Property were still 2 down at 67p. Artagen Properties were a particularly dull spot among easier secondary issues, retreating 9 to 69p on disappointment accompanying the preliminary results. Berkeley Hamble relinquished 6 more to 132p for a two-day loss of 14, while London Bridge Securities receded 3 to 18p. Also 3 easier were Great Portland Estates, 250p, and Imry Property, 165p, while Hammerson "A" lost 5 to 370p and Briton Estates shed 2 to 86p.

The South African Sore declined 4 to 68p in reflection of the half-year profits contraction and interim dividend cut.

**De La Rue please**  
After modestly extending Monday's losses, miscellaneous Industrial leaders picked up in the late afternoon to finish with minor gains on the day. Recorded in Bechem, 344p, after 308p, and Reckitt and Colman, 242p, while Boots, 136p, after 132p, and Bowater, 182p, after 178p, both ended 2 better. Press comment lifted Turner and Newall to 55p, after 52p, while the latter picked up to close slightly harder at 48p, while Ultramar slipped 2 to 192p.

Increased half-yearly profits made no impression on Attock, which stayed at 54p. Among scattered movements in a colourless overseas section was a fall of 10 to 28p in Slebeas (U.K.).

Among Overseas Traders, Inchcape closed on a bright note at 390p, up 8, after 380p, while Carstar and Crossfield recovered 25 to 950p and Paterson Zochsman 20 to 460p.

The Board's firm rejection of a 180p for a two-day rise of 16, in

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## U.S. company denies \$28m. Iran refund

BY GUY DE JONQUIERES NEW YORK, Feb. 10.

GRUMMAN, the large U.S. aerospace contractor, denied today that it has agreed to refund to the Iranian Government \$28m. in disputed commissions related to Iran's \$2.2bn. order for 80 F-14 Tomcat military aircraft.

The effect of Grumman's statement, issued at its headquarters on Long Island, New York, this morning, is to call into question the legal validity of a note signed by Mr. Peter Oram, president of its international subsidiary, undertaking to refund \$28m. to the Iranian Government.

According to a report by the Washington Post today, General Hassan Toufanian, Iran's Vice Minister of War in charge of arms purchases, has said that Mr. Oram signed the note in his office on June 18 last year. Mr. Oram has confirmed independently that he signed the note, and its existence is not disputed by Grumman.

But this morning the company said that its chairman, Mr. John Bieri, recently met General Toufanian and that it was agreed that the question of the commission payments should be turned over to lawyers for review and a solution. It said that no solution had yet been reached, but added that it would comply with its legal obligations when these had been determined.

Iran has raised strong objections to an arrangement which Grumman reached to pay the \$28m. as commissions to middlemen who, the company claims, acted as its lobbyists in Tehran. Iran contends, however, that the commissions amount to an which it is not prepared to pay.

According to the Washington Post, Gen. Toufanian said that he reached a special arrangement with Mr. James Schlesinger, the former U.S. Defence Secretary, in 1973 which explicitly prohibited the payment of any agents' fees or sales commissions in connection with the F-14 contract.

Grumman officials claim that the cost of the payments was being borne by the company and that no charge had been made to any Government contracts for either Iranian or U.S. military procurements.

The company added that it had severed its connection with the lobbyists, but admitted that it had already paid them \$6m. of the \$28m.

More than half the \$6m. was paid to three Iranian-born brothers, Hushang, Parviz and Mansour Lavi, and the remainder to their successor, a New Jersey company called Shaham Société Anonyme.

According to the Washington Post, Gen. Toufanian said he had blacklisted the Lavi brothers in 1972 "because they had been passing themselves off as agents for Iran and selling audiences with the Shah to businessmen in Europe." The General said that he was so infuriated when he learned of the Lavi brothers' role that he summoned Mr. Oram and another senior Grumman official to Iran and threatened to cut 20 per cent. off the \$2.2bn. contract.

But, he added, the Shah recommended a less-drastic course, and Gen. Toufanian then recalled the Grumman officials and offered to take the \$28m. fees in spare parts. The upshot, he said, was the note signed by Mr. Oram.

## BAC jobs to be cut by 1,200

By Michael Donne, Aerospace Correspondent

ABOUT 1,200 workers in the British Aircraft Corporation's Commercial Aircraft Division, including several hundred engaged on Concorde, are to be told next Monday they are to lose their jobs, with the formal redundancy notices being issued on February 27.

The workers involved represent about half the 2,400 which the BAC said last November would have to go by this May, because of the declining volume of work in the division.

Since then, 1,200 have gone voluntarily through early retirement, so that only the same number is left to face formal redundancy.

**All kinds**

The number to go at Weybridge is about 400, at Filton, Dorset, 200, about 50 at Fairford, Gloucestershire, and the rest, up to 600 at Filton, Bristol. All kinds of workers are involved, including design and production personnel.

When the redundancies have been completed, the Commercial Aircraft Division will employ about 11,600, or 17 per cent. fewer than at the end of last year.

BAC hopes for several reasons that it can hold the labour force in the division at about 11,600 after the cuts.

First, it is bringing in work from other divisions, such as the Military Aircraft Division. Secondly, it is increasing its sub-contract activities from outside, and is working for such companies as Hawker Siddeley, Short Brothers, Bockland and Lockheed.

Thirdly, it has experienced a revival of airline interest world-wide in the One-Eleven short-haul jet airliner, and is building another ten Series 500s, of which five have been sold to Tarom of Romania, with sales for the other five now in negotiation.

The BAC feels that there is now a better chance than for some time of selling additional One-Elevens, and is pursuing this goal vigorously.

**Due to fly**

For Concorde, however, which is assembled at Filton, where most of the redundancies are occurring, the picture is bleak. Of the 16 production aircraft authorised, six are flying, two are due to fly soon, and work on the other eight is in many instances more than half completed.

Concorde production work is therefore running down, and unless there is a significant breakthrough in the world air transport industry, with additional orders being placed beyond those held from British Airways and Air France, it is likely that the line will run down further.

## Bank of France spends \$200m. to back franc

BY RUPERT CORNWELL PARIS, Feb. 10.

THE BANK of France spent more than \$200m. today to support the franc against the D-mark, the largest sale in a single day since pressure on the franc began to build up three weeks ago.

By tonight the rate had weakened to Frs.175.15 for DM100 despite Central Bank intervention throughout most of the day, and was standing close to the franc's floor within the EEC narrow margins agreement of Frs.176.425.

Dealers reported a steady volume of sales, amplified by the familiar "leads and lags" mechanism as importers speeded up purchases of foreign exchange and exporters delayed repatriation of payments from abroad.

In addition the Eurofranc rate, a key barometer of confidence in the French currency, rose again today as speculators borrowed foreign currency to sell against the mark and other strong currencies.

Since the Italian foreign exchange markets were shut on January 30 the Bank of France is estimated to have spent up to \$1.5bn. in support operations. In that time, as both the lira and the Spanish peseta have been substantially devalued, attention has focused on the franc as the most vulnerable currency, and above all on its relationship with the mark.

As European economies recover the D-mark is again looking a safe medium-term revaluation bet, while it is increasingly mooted here that the franc (whose mark parity is that of winter 1973 before President Pompidou pulled it out of the European currency "snake") might be overvalued.

Giscard took the franc back into the snake six months ago against the strong advice of some of his close colleagues.

Inevitably the unease has grown as the run-up to the Franco-German summit in Nice this week, in spite of repeated denials on both sides that any

exchange-rate adjustment is under consideration.

The nervousness of the markets to-day contrasted vividly with the confidence in Basic, the leading central bankers had been attending their regular monthly meeting.

M. Bernard Clappier, Governor of the Bank of France, is understood to have assured his colleagues that France would continue to defend existing parities rigorously. Indeed foreign exchange dealers on the Continent have been impressed by the determination and skill with which the Paris authorities have acted so far.

What is more, total support so far at about Frs.62bn. represents barely one-fifth of the country's available foreign exchange reserves. To this must be added a gold stock worth Frs.53bn. (\$14bn.) at the present free market price.

But should the outflow continue at today's pace much longer the French Government will almost certainly have to change tack: Either new exchange controls, or a shift in its present policy, which places an overriding emphasis on rapid growth.

The familiar attraction of the mark apart, this insistence on growth has stirred the perennial suspicion that Paris is prepared to sacrifice price stability and the exchange rate in favour of expansion.

**Snag for Giscard**

The other option, of course, is to bow to the pressure and lower the exchange rate, either by a devaluation within the "snake" or by dropping out of the narrow margin agreement completely.

Such a step, however, quite apart from its economic drawback of increasing import prices at a moment when their volume and community charges at the end of December.

The underlying demand for loans was therefore at best no more than flat during this period. The release of special deposits, which took place just two days before the banks' January 21 make-up day, provided an extra \$227m. of funds for the London clearing banks, which helped to maintain the banks' liquid resources.

With this help, the average reserve ratio of the London

## Imperial's second half surprise

THE LEX COLUMN

The weakness of Sterling, closing at a new trade weighted low, did not prevent both Imperial and Equities recouping small losses yesterday afternoon. Money markets coped with the recall of special deposits on schedule with no obvious problem, and indeed the mid-July banking statistics indicate no undue pressure on reserve asset ratios. This morning, all eyes will be on the opening quotations of the LASMO-SCOT issues: the jobbers, at any rate, seem to think that stages may face a small loss.

**Imperial Group**

Imperial Group has paid the maximum dividend after six years, unchanged interim, and its profits are up from £73.5m. to £106.8m. pre-tax. This is well ahead of most targets, and the main reason is that returns in the food division—which broke even in the second half of 1973-74—have been transformed. Pre-interest profits are up from £7m. to £28m.; the poultry operation, which lost over £5m. a year ago, accounts for nearly half the latest profit figure, and the recently acquired U.S. business actually made more than the U.K. side.

In addition, cigarette consumption recovered surprisingly quickly after last spring's sharp duty increases. Industry volume dropped by about 3 per cent in 1975, but Imps. claims a small increase in its market share. Courage has increased its share of the market too, and like all the other brewers had a very good summer.

This year brewery profits may be squeezed, and the distinct possibility of yet another duty increase in April poses a question mark over volume in the cigarette market, which is currently stagnating. So although packaging may be over the worst and there is probably more to come from the poultry side, the overall trading performance could be comparatively unexciting this year.

However, investment income is rising following the partial switch out of BAT into gilts, and interest costs were already moving down towards the end of last year. Net cash flow over the 12 months amounted to \$86m., of which stock relief represented about a third, whereas spending on fixed assets and net working capital dropped to \$68m. Tobacco stocks were cut during the year (along with credit terms) and

move towards EEC harmonisation which is scheduled for 1978. BAT may have more going for it at the moment, especially since these figures confirm that Imperial is under no pressure to sell its remaining holding.

A final point is that Imperial's informative statement includes an indication of the impact of current cost accounting on depreciation and stocks. The figure lies somewhere between £50m. and £70m., which is clearly in line with outside estimates.

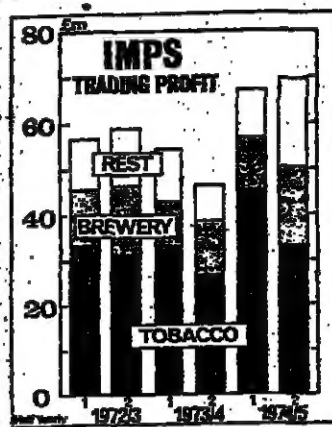
**De La Rue**

De La Rue's profits have begun to recover sharply after declining for five successive quarters, and the shares rose 10p yesterday to 233p for a gain of nearly two-fifths since early November. The third quarter pre-tax figure is £3.1m., taking the nine-month total up to £5.28m. against £5.84m., and the biggest improvement has come from the bank note side, as reflected in a rise in exports of over a third in the quarter. This momentum is continuing in the current quarter and the order book is "very strong." More, the signs of a pick-up in least a modest upturn in the level of trade. An 1975 profits) apparent at the end of the second quarter have been likely to improve fully, confirmed with the performance.

Index rose 3.5 to 403.1

although these savings cannot be taken much further, the inflationary pressures are still easing.

This background provides firm support for the shares at 87p, where the yield is 8.4 per cent. But there are still a number of uncertainties, like the next report from the Royal College of Physicians expected in the late summer, and the



recovery extending on U.K. to the major markets, especially Spain.

Crossfield—a production scanning—acquired in September £4m. in cash and near of the equity—is, however, in the red following disputes earlier in the current period the group looks like most of the near £2 profits in the first half of the year. A prospect 9 is not expected from the turnip in perhaps under a of the record.

**Thos. W. War**

The case history of Ward—which is under £18m. through share rights issue about the problems needing industry, it has contributed to it by splicing out the return areas. By its shareholders' funds compared with debt despite the heroic—full—efforts to control capital during 11 recent years Ward £26m. on acquiring while net working climbed another £. Yet this includes a ment like the £8.4 Tunnel Cement, also less of several £ taking into account ing costs. Around a of around £5m. clates, is lamest company which has played of £75m.

It is a fair guess cost accounting a short work of W pre-tax profits (11:1ary gains would be some) and conven are still trending loss elimination Fowler and the ab year's stock losses o The high yield met has no interest s the p/e on historic from 8.4 to 9.4—b improvement in the ratios does allow W that it will be able in least a modest up level of trade. An 1975 profits) apparent at the end of the second quarter have been likely to improve fully, confirmed with the performance.

## Battle looms over Felixstowe

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE STRUGGLE for control of Britain's most successful privately-owned port, the Felixstowe Dock and Railway Company, intensified yesterday when European Ferries indicated that it was likely to abandon its takeover bid despite a refusal by the Felixstowe Board to support its offer.

Mr. Keith Wickenden, chairman of European Ferries, said that his company's offer would be circulated to Felixstowe shareholders provided it was not opposed by the port's 1,150 employees. He had met some of the dockers' shop stewards and he expected their formal approval by the end of the week.

European Ferries renewed commitment to its offer came shortly after publication of a carefully worded statement from the Felixstowe's directors which reaffirmed their support for the £5.25m. bid by the State-owned British Transport Docks Board.

A private Bill empowering the Docks Board to buy Felixstowe is before Parliament.

The Felixstowe directors said that they could not "in all the circumstances" recommend that shareholders accept the European Ferries' offer, whose value, so far undisclosed, is believed to be only marginally better than the Docks Board's 150p a share proposal.

Emphasising their responsibility not only to stockholders but also to employees, customers and the general welfare of the port, the Felixstowe directors repeated their belief that the Docks Board bid "would best serve the interests of all concerned."

## Weather

**U.K. TO-DAY**

BRIGHT INTERVALS and showers.

London, E. Anglia, S.E. E. and Cent. S. England, E. Midlands. Clear spells, possibly showers. Wind W., moderate. Max. 5C (48F).

**BUSINESS CENTRES**

Y'day	mid-day	Y'day	mid-day
Amsterdam	12	14	15
Antwerp	12	14	15
Birmingham	12	14	15
Bombay	22	24	25
Buenos Aires	11	13	14
Calcutta	11	13	14
Canton	11	13	14
Cebu	11	13	14
Hankow	11	13	14
Hong Kong	11	13	14
Kobe	11	13	14
London	12	14	15
Lyons	12	14	15
Manila	11	13	14
Medan	11	13	14
Shanghai	11	13	14
Singapore	11	13	14
Sourabaya	11	13	14
Tientsin	11	13	14
Yokohama	11	13	14

## Guarantees

The Felixstowe company would not elaborate on its statement but its preference for nationalisation rather than private ownership is believed to stem from doubts about the timing of the European Ferries offer and a preference for guarantees on the port's future development which have been given by the Docks Board.

## Angola towns fall

Continued from Page 1

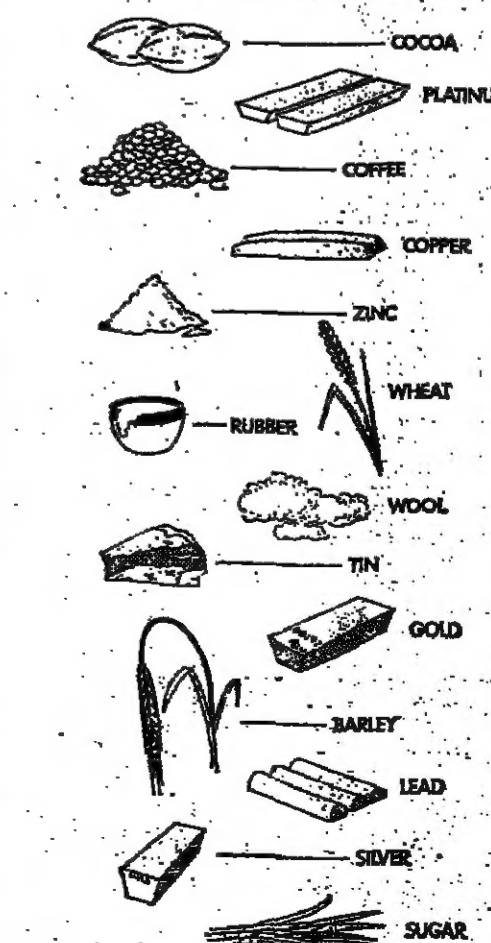
As today's broadcast again made clear, the Luanda Government has no intention of stopping its southern advance or of leaving the South African forces to continue their occupation of Southern Angola. The broadcast said that the offensive will now move on towards the southern city of Sa Da Bandeira, some 200 miles south, which has an important air support base for the South African forces.

Now that MPLA's Soviet-supplied heavy artillery and tanks have crossed the natural barrier of the River Queve, formerly the South African forward line, there is no other major natural obstacle to MPLA's advancing towards the South African lines.

But the Luanda forces, and their Cuban allies, may want to consolidate their positions along the railway lines and in the Unita heartland before pushing on south.

Stewart Dalby in Johannesburg

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